

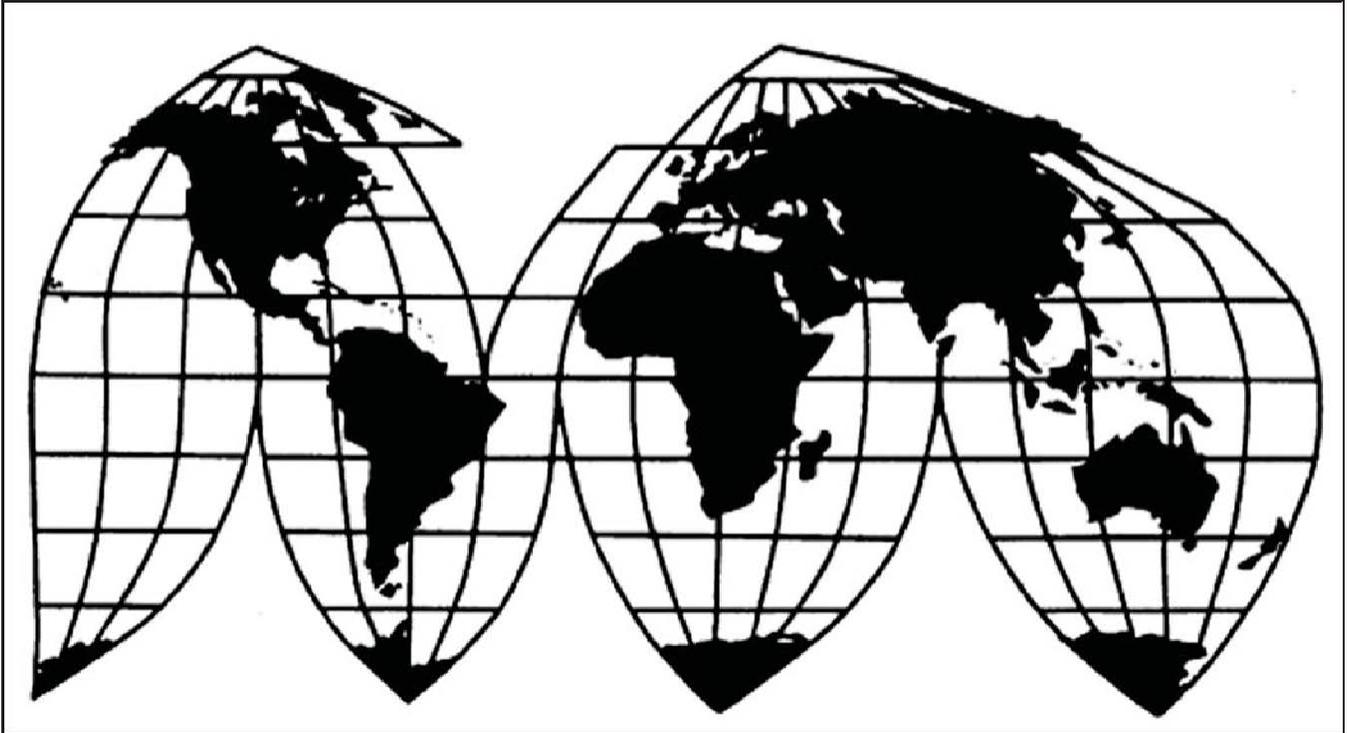
Honey from China

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

Publication 4776

April 2018

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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Staff assigned

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Andrew Knipe, Economist

Henry Smith, Attorney

Nathanael Comly, Supervisory Investigator

Address all communications to
Secretary to the Commission
United States International Trade Commission

Washington, DC 20436

U.S. International Trade Commission

Washington, DC 20436
www.usitc.gov

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CONTENTS

	Page
Determinations	1
Views of the Commission.....	3
Information obtained in this review.....	I-1
Background.....	I-1
Responses to the Commission’s notice of institution.....	I-1
Individual responses.....	I-1
Party comments on adequacy.....	I-2
Recent developments in the industry.....	I-3
The original investigation and subsequent reviews.....	I-3
The original investigation	I-3
The first five-year review.....	I-4
The second five-year review.....	I-5
Prior related investigations	I-5
The product.....	I-7
Commerce’s scope	I-7
Description and uses	I-7
Manufacturing process.....	I-10
U.S. tariff treatment	I-13
The definition of the domestic like product.....	I-13
Actions at Commerce	I-13
Administrative and new shipper reviews.....	I-13
Scope rulings.....	I-15
Anti-circumvention findings	I-15
Current five-year review	I-15
The industry in the United States	I-15
U.S. beekeepers.....	I-15
U.S. packers	I-17
Definition of the domestic industry and related parties issues	I-17
U.S. producers’ trade and financial data.....	I-18

CONTENTS

	Page
U.S. imports and apparent U.S. consumption.....	I-20
U.S. importers.....	I-20
U.S. imports.....	I-20
Apparent U.S. consumption and market shares	I-22
The industry in China.....	I-23
Recent developments in the Chinese industry	I-25
Antidumping or countervailing duty orders in third-country markets.....	I-26
The global market	I-27
Appendixes	
A. <i>Federal Register</i> notices	A-1
B. Company-specific data	B-1
C. Summary data compiled in prior proceedings.....	C-1
D. Purchaser questionnaire responses	D-1

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

UNITED STATES INTERNATIONAL TRADE COMMISSION

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

Honey from China

DETERMINATION

On the basis of the record¹ developed in the subject five-year review, the United States International Trade Commission (“Commission”) determines, pursuant to the Tariff Act of 1930 (“the Act”), that revocation of the antidumping duty order on honey from China would be likely to lead to the continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.²

BACKGROUND

The Commission, pursuant to section 751(c) of the Act (19 U.S.C. 1675(c)), instituted this review on November 1, 2017 (82 F.R. 50683) and determined on February 5, 2018 that it would conduct an expedited review (83 F.R. 11562, March 15, 2018).³

By order of the Commission.

Lisa R. Barton

Secretary to the Commission

Issued:

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 Jason E. Kearns did not participate.

³ Vice Chairman David S. Johanson voted to conduct a full review in light of the time that transpired since the Commission last conducted a full investigation in this matter.

Views of the Commission

Based on the record in this third five-year review, we determine under section 751(c) of the Tariff Act of 1930, as amended (“the Tariff Act”), that revocation of the antidumping duty order on honey from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.¹

I. Background

A. The Original Investigation

On September 29, 2000, the American Honey Producers Association (“AHPA”), a trade association whose members produce honey in the United States, and the Sioux Honey Association (“SHA”), a non-profit cooperative marketing organization that collects, processes, packs, and markets honey produced by its members, as well as independent beekeepers, filed petitions with the Commission and the Department of Commerce (“Commerce”) alleging that a U.S. industry was materially injured and threatened with material injury by reason of imports of honey from Argentina and China sold at less-than-fair-value (“LTFV”) and subsidized by the government of Argentina. On October 4, 2001, Commerce determined that subject imports from Argentina and China were being sold at LTFV and that subject imports from Argentina were subsidized.² In November 2001, the Commission found a domestic industry was materially injured by reason of LTFV imports of honey from Argentina and China and by reason of subsidized imports of honey from Argentina.³ Consequently, on December 10, 2001, Commerce issued antidumping and countervailing duty orders.⁴ In January 2002, Chinese exporters and U.S. importers appealed the Commission’s original determinations to the U.S. Court of International Trade (“CIT”). After multiple stays, on March 22, 2017, the CIT sustained the Commission’s findings.⁵

¹ Commissioner Kearns did not participate in this review.

² *Notice of Final Determination of Sales at Less Than Fair Value; Honey From the People’s Republic of China*, 66 Fed. Reg. 50608 (Oct. 4, 2001); *Notice of Final Determination of Sales at Less Than Fair Value; Honey From Argentina*, 66 Fed. Reg. 50611 (Oct. 4, 2001); *Final Affirmative Countervailing Duty Determination; Honey From Argentina*, 66 Fed. Reg. 50613 (Oct. 4, 2011).

³ *Honey from Argentina and China*, Inv. Nos. 701-TA-402 and 731-TA-892-893 (Final), USITC Pub. 3470 (Nov. 2001) (“Original Determinations”). The Commission determined that critical circumstances existed with respect to the subject imports from China for which Commerce made affirmative critical circumstances findings. *Id.* at 23.

⁴ *Antidumping Duty Order Regarding Imports from China*, 66 Fed. Reg. 63670 (Dec. 10, 2001); *Antidumping Duty Order Regarding Imports From Argentina*, 66 Fed. Reg. 63672 (Dec. 10, 2001); *Countervailing Duty Order Regarding Imports from Argentina*, 66 Fed. Reg. 63673 (Dec. 10, 2001).

⁵ *See Zhejiang Native Produce & Animal By-Products Import & Export Corp. v. United States*, 217 F.Supp.3d 1363 (Ct. Int’l Trade 2017).

B. The First Reviews

On November 1, 2006, the Commission instituted its first five-year reviews of the antidumping and countervailing duty orders on honey from Argentina and China.⁶ In June 2007, the Commission reached affirmative determinations after conducting expedited reviews.⁷ As a result, effective August 2, 2007, Commerce issued a continuation of the antidumping and countervailing duty orders.⁸

C. The Second Review

On July 2, 2012, the Commission instituted its second five-year reviews of the antidumping and countervailing orders on honey from Argentina and China.⁹ No domestic interested party filed a notice of intent to participate in the reviews of the orders on honey from Argentina. Consequently, on September 21, 2012, Commerce revoked the antidumping and countervailing duty orders on honey from Argentina,¹⁰ and the Commission terminated its reviews concerning those imports.¹¹ In November 2012, the Commission reached an affirmative determination concerning the antidumping duty order on honey from China after conducting an expedited review.¹² On December 13, 2012, Commerce issued a continuation of the antidumping duty order on honey from China.¹³

⁶ *Institution of Five Year Reviews Concerning the Countervailing Duty Order on Honey from Argentina and the Antidumping Duty Orders on Honey from Argentina and China*, 71 Fed. Reg. 64292 (Nov. 1, 2006).

⁷ *Honey from Argentina and China*, Inv. Nos. 701-TA-402 & 731-TA-892-893 (Review), USITC Pub. 3929 (June 2007) (“First Reviews”). Our discussion below of the volume and price effects found by the Commission in the original investigations and first reviews reflects the fact that both of those affirmative determinations were made on a cumulated basis. Because this third five-year review involves only the antidumping duty order on subject imports from China, we have included discussions of the relevant data, when possible, concerning subject imports from China in the original investigations and first reviews.

⁸ *Continuation of Antidumping Duty Orders on Honey from Argentina and the People’s Republic of China, and Continuation of Countervailing Duty Order on Honey from Argentina*, 72 Fed. Reg. 42384 (Aug. 2, 2007).

⁹ *Honey from Argentina and China: Institution of Five-Year Reviews Concerning the Countervailing Duty Order on Honey from Argentina and the Antidumping Duty Orders on Honey from Argentina and China*, 77 Fed. Reg. 39257 (July 2, 2012).

¹⁰ *Honey from Argentina; Final Results of Sunset Reviews and Revocation of Antidumping Duty and Countervailing Duty Orders*, 77 Fed. Reg. 58524 (Sep. 21, 2012).

¹¹ *Investigation Nos. 701-TA-402 and 731-TA-892 (Second Review); Honey from Argentina; Termination of Five-Year Reviews*, 77 Fed. Reg. 64827 (Oct. 25, 2012).

¹² *Honey from China*, Inv. No. 731-TA-893 (Second Review), USITC Pub. 4364 at 3 (Nov. 2012) (“Second Review”).

¹³ *Honey from the People’s Republic of China: Continuation of Antidumping Duty Order*, 77 Fed. Reg. 74173 (Dec. 13, 2012).

D. The Current Review

On November 1, 2017, the Commission instituted the instant five-year review.¹⁴ On December 1, 2017, the AHPA and SHA (collectively “domestic interested parties”) jointly filed the sole response to the notice of institution.¹⁵ The Commission determined that the domestic interested parties’ group response to its notice of institution was adequate.¹⁶ The Commission did not receive a response from any respondent interested party and determined that the respondent interested party group response to the notice of institution was inadequate.¹⁷ On February 5, 2018, the Commission determined that it would conduct an expedited review pursuant to section 751(c)(3) of the Tariff Act.¹⁸

On March 19, 2018, the domestic interested parties filed comments with the Commission pursuant to 19 C.F.R. § 207.62(d).¹⁹

U.S. industry data are based on public information from the U.S. Department of Agriculture (“USDA”) and materials that the domestic interested parties submitted in their response to the notice of institution. The domestic interested parties estimate that they accounted for *** percent of domestic production of honey in 2016.²⁰ U.S. import data and related information are based on Commerce’s official import statistics.²¹ Foreign industry data and related information are based on information from the original investigations and prior reviews, as well as available information submitted by the domestic interested parties in this expedited review and publicly available information, such as Global Trade Atlas data.²²

¹⁴ *Honey From China; Institution of a Five-Year Review*, 82 Fed. Reg. 50683 (Nov. 1, 2017). In accordance with section 751(c) of the Tariff Act, Commerce also published a notice of initiation of a five-year review of the antidumping duty order on the same date. *Initiation of Five-Year (Sunset) Reviews*, 82 Fed. Reg. 50612 (Nov. 1, 2017).

¹⁵ Response of the American Honey Producers Association and Sioux Honey Association, EDIS Doc. 630449 (Dec. 1, 2017) (“Domestic Interested Parties’ Response”).

¹⁶ Explanation of Commission Determination on Adequacy, EDIS Doc. 636254 (Feb. 5, 2018).

¹⁷ Explanation of Commission Determination on Adequacy.

¹⁸ Explanation of Commission Determination on Adequacy. Vice Chairman Johanson voted to conduct a full review in light of the time that has transpired since the Commission last conducted a full investigation in this matter. *Id.*

¹⁹ Domestic Industry’s Comments Regarding the Commissions Determination in This Review, EDIS Doc. 639321 (Mar. 19, 2018) (“Domestic Industry’s Expedited Review Comments”).

²⁰ Confidential Report, Memorandum INV-QQ-011 (Jan. 24, 2018) (“CR”) at I-26, Public Report (“PR”) at I-2, CR/PR Table I-1.

²¹ CR/PR at Table I-4.

²² See CR at I-33 to I-39, PR at I-23 to I-28.

II. Domestic Like Product and Industry

A. Domestic Like Product

In making its determination under section 751(c) of the Tariff Act, the Commission defines the “domestic like product” and the “industry.”²³ The Tariff Act defines “domestic like product” as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle.”²⁴ The Commission’s practice in five-year reviews is to examine the domestic like product definition from the original investigation and consider whether the record indicates any reason to revisit the prior findings.²⁵

Commerce has defined the imported merchandise within the scope of the order under review as follows:

{N}atural honey, artificial honey containing more than 50 percent natural honey by weight, preparations of natural honey containing more than 50 percent natural honey by weight, and flavored honey.

The subject merchandise includes all grades and colors of honey whether in liquid, creamed, comb, cut comb, or chunk form, and whether packaged for retail or in bulk form.

The subject merchandise is currently classifiable under subheadings 0409.00.00, 1702.90.90, 2106.90.99, 0409.00.0010, 0409.00.0035, 0409.00.0005, 0409.00.0045, 0409.00.0056, and 0409.00.0065 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheadings are provided for convenience and customs purposes, {Commerce}’s written description of the merchandise under the order is dispositive.²⁶

²³ 19 U.S.C. § 1677(4)(A).

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

²⁵ *See, e.g., Internal Combustion Industrial Forklift Trucks from Japan*, Inv. No. 731-TA-377 (Second Review), USITC Pub. 3831 at 8-9 (Dec. 2005); *Crawfish Tail Meat from China*, Inv. No. 731-TA-752 (Review), USITC Pub. 3614 at 4 (July 2003); *Steel Concrete Reinforcing Bar from Turkey*, Inv. No. 731-TA-745 (Review), USITC Pub. 3577 at 4 (Feb. 2003).

²⁶ *Honey from the People’s Republic of China: Final Results of the Expedited Third Sunset Review of the Antidumping Duty Order*, 83 Fed. Reg. 10432 (Mar. 9, 2018) and the accompanying *Issues and Decision Memorandum for the Expedited Third Sunset Review of the Antidumping Duty Order on Honey from the People’s Republic of China*, Case No. A-570-863, EDIS Doc. 639739 at 2 (Mar. 5, 2018). On (Continued...)

As a sweetener, honey appears in a variety of products such as bread and other baked goods, cereal, condiments, and candy.²⁷ Non-food applications for honey include use in pharmaceutical products and as an input in hair care products.²⁸ Honey also contains mild antiseptic properties when used on the skin.²⁹

In the original investigations and first and second five-year reviews, the Commission found a single domestic like product consisting of all honey, coextensive with Commerce's scope definition.³⁰

In this third five-year review, the domestic interested parties have indicated that the Commission should adopt the domestic like product definition from the prior proceedings.³¹ The record does not indicate any changes to the pertinent characteristics of honey since the prior proceedings.³² Consequently, we continue to define the domestic like product as all honey, coextensive with Commerce's scope.

B. Domestic Industry

Section 771(4)(A) of the Tariff Act defines the relevant industry as the domestic "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."³³ In defining the domestic industry, the Commission's general practice has been to include in the industry all U.S. producers of the domestic like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.

In the original investigations, the Commission found a single domestic industry, consisting of all domestic producers of honey, both raw and processed.³⁴ Additionally, the Commission determined that all honey packers engaged in sufficient production-related

(...Continued)

August 21, 2012, in response to an inquiry from the domestic interested parties, Commerce ruled that blends of honey and rice syrup, regardless of the percentage of honey they contain, are later developed merchandise that are within the scope of the antidumping duty order. CR at I-21, PR at I-15; *Notice of Scope Rulings*, 78 Fed. Reg. 9370 (Feb. 8, 2013).

²⁷ CR at I-11, PR at I-8.

²⁸ CR at I-11, PR at I-8.

²⁹ CR at I-11, PR at I-8.

³⁰ Original Determinations, USITC Pub. 3470 at 5; First Reviews, USITC Pub. 3929 at 6; Second Review, USITC Pub. 4364 at 5.

³¹ Domestic Interested Parties' Response at 21; Domestic Industry's Expedited Review Comments at 4.

³² See generally CR at I-9 to I-19, PR at I-7 to I-13.

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

³⁴ Original Determinations, USITC Pub. 3470 at 11.

activities to be included in the domestic industry.³⁵ In the first and second five-year reviews, the Commission determined that the record contained no new information that would indicate that any domestic producer qualified as a related party, and again defined the domestic industry as all domestic producers of honey, both raw and processed, including packers.³⁶

In this third five-year review, the domestic interested parties have indicated that the Commission should adopt the domestic industry definition from the prior proceedings and have not argued that the Commission should exclude any producers from the domestic industry.³⁷ The record indicates that there are no related party or other domestic industry issues in this review.³⁸ Accordingly, consistent with the domestic like product definition, we again define the domestic industry as all U.S. producers of honey, raw and finished, including beekeepers and packers.

III. Revocation of the Antidumping Duty Order Would Likely Lead to Continuation or Recurrence of Material Injury Within a Reasonably Foreseeable Time

A. Legal Standards

In a five-year review conducted under section 751(c) of the Tariff Act, Commerce will revoke an antidumping or countervailing duty order unless: (1) it makes a determination that dumping or subsidization is likely to continue or recur and (2) the Commission makes a determination that revocation of the antidumping or countervailing duty order “would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.”³⁹ The Uruguay Round Agreements Act Statement of Administrative Action (“SAA”) states that

³⁵ Original Determinations, USITC Pub. 3470 at 7. In reaching this conclusion, the Commission found that the packers employed a considerable number of production and related workers, had made substantial capital investments, and added at least 20 percent to the value of the finished product. *Id.* The Commission also found that the record contained insufficient information to determine whether the packers that purchased subject imports, but did not themselves import subject honey, controlled importers or exporters through their purchases. *Id.* at 9. Consequently, it did not exclude these packers from the industry under the related parties provision of the statute. *Id.* However, the Commission found that appropriate circumstances existed to exclude three firms that imported honey from Argentina from the domestic industry as related parties. *Id.* at 9-10. The Commission excluded these firms because it found that they had sourced a large portion of their honey from subject sources and had shielded themselves from the effects of unfairly traded imports. *Id.*

³⁶ First Reviews, USITC Pub. 3929 at 6; Second Review, USITC Pub. 4364 at 5-6.

³⁷ Domestic Interested Parties’ Response at 19, 21; Domestic Industry’s Expedited Review Comments at 4.

³⁸ See CR at I-24 to I-25, PR at I-17 to I-18. The record does not indicate that packer organizations have changed since the prior proceedings. See CR at I-23 to I-24, PR at I-17. Accordingly, we continue to include packers in the domestic industry.

³⁹ 19 U.S.C. § 1675a(a).

“under the likelihood standard, the Commission will engage in a counterfactual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports.”⁴⁰ Thus, the likelihood standard is prospective in nature.⁴¹ The CIT has found that “likely,” as used in the five-year review provisions of the Tariff Act, means “probable,” and the Commission applies that standard in five-year reviews.⁴²

The statute states that “the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time.”⁴³ According to the SAA, a “‘reasonably foreseeable time’ will vary from case-to-case, but normally will exceed the ‘imminent’ timeframe applicable in a threat of injury analysis in original investigations.”⁴⁴

Although the standard in a five-year review is not the same as the standard applied in an original investigation, it contains some of the same fundamental elements. The statute provides that the Commission is to “consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated.”⁴⁵ It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order or

⁴⁰ SAA, H.R. Rep. No. 103-316, vol. I at 883-84 (1994). The SAA states that “{t}he likelihood of injury standard applies regardless of the nature of the Commission’s original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed.” *Id.* at 883.

⁴¹ While the SAA states that “a separate determination regarding current material injury is not necessary,” it indicates that “the Commission may consider relevant factors such as current and likely continued depressed shipment levels and current and likely continued {sic} prices for the domestic like product in the U.S. market in making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked.” SAA at 884.

⁴² See *NMB Singapore Ltd. v. United States*, 288 F. Supp. 2d 1306, 1352 (Ct. Int’l Trade 2003) (“‘likely’ means probable within the context of 19 U.S.C. § 1675(c) and 19 U.S.C. § 1675a(a)”), *aff’d mem.*, 140 Fed. Appx. 268 (Fed. Cir. 2005); *Nippon Steel Corp. v. United States*, 26 CIT 1416, 1419 (2002) (same); *Usinor Industeel, S.A. v. United States*, 26 CIT 1402, 1404 nn.3, 6 (2002) (“more likely than not” standard is “consistent with the court’s opinion;” “the court has not interpreted ‘likely’ to imply any particular degree of ‘certainty’”); *Indorama Chemicals (Thailand) Ltd. v. United States*, 26 CIT 1059, 1070 (2002) (“standard is based on a likelihood of continuation or recurrence of injury, not a certainty”); *Usinor v. United States*, 26 CIT 767, 794 (2002) (“‘likely’ is tantamount to ‘probable,’ not merely ‘possible’”).

⁴³ 19 U.S.C. § 1675a(a)(5).

⁴⁴ SAA at 887. Among the factors that the Commission should consider in this regard are “the fungibility or differentiation within the product in question, the level of substitutability between the imported and domestic products, the channels of distribution used, the methods of contracting (such as spot sales or long-term contracts), and lead times for delivery of goods, as well as other factors that may only manifest themselves in the longer term, such as planned investment and the shifting of production facilities.” *Id.*

⁴⁵ 19 U.S.C. § 1675a(a)(1).

the suspension agreement under review, whether the industry is vulnerable to material injury if an order is revoked or a suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).⁴⁶ The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission's determination.⁴⁷

In evaluating the likely volume of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.⁴⁸ In doing so, the Commission must consider "all relevant economic factors," including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.⁴⁹

In evaluating the likely price effects of subject imports if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to the domestic like product and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product.⁵⁰

In evaluating the likely impact of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to the following: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.⁵¹ All relevant economic factors are to be

⁴⁶ 19 U.S.C. § 1675a(a)(1). Commerce has not made any duty absorption findings concerning honey from China. CR at I-19, PR at I-13.

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

⁴⁸ 19 U.S.C. § 1675a(a)(2).

⁴⁹ 19 U.S.C. § 1675a(a)(2)(A-D).

⁵⁰ See 19 U.S.C. § 1675a(a)(3). The SAA states that "{c}onsistent with its practice in investigations, in considering the likely price effects of imports in the event of revocation and termination, the Commission may rely on circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices." SAA at 886.

⁵¹ 19 U.S.C. § 1675a(a)(4).

considered within the context of the business cycle and the conditions of competition that are distinctive to the industry. As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the order under review and whether the industry is vulnerable to material injury upon revocation.⁵²

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

B. Conditions of Competition and the Business Cycle

In evaluating the likely impact of the subject imports on the domestic industry if an order is revoked, the statute directs the Commission to consider all relevant economic factors “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”⁵³ The following conditions of competition inform our determination.

1. Demand Conditions

In the original investigations and first five-year reviews, the Commission observed that the honey market was comprised of three sets of customers (in order of size): the industrial/ingredient sector, the retail sector, and the food service sector.⁵⁴ In the second five-year review, the Commission observed that demand for honey is driven by demand for downstream food products that use honey as an ingredient.⁵⁵ The record in the current review indicates that the drivers of demand for honey in the U.S. market have not changed.⁵⁶

In the original investigations, the Commission found that apparent U.S. consumption rose from 352.7 million pounds in 1998 to 419.2 million pounds in 2000.⁵⁷ In the first five-year reviews, the Commission found that apparent U.S. consumption declined since the original investigations, although it increased from 330.4 million pounds in 2001 to 407.3 million pounds in 2005.⁵⁸ In the second five-year review, the Commission found that apparent U.S.

⁵² The SAA states that in assessing whether the domestic industry is vulnerable to injury if the order is revoked, 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 may also demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports.” SAA at 885.

⁵³ 19 U.S.C. § 1675a(a)(4).

⁵⁴ Original Determinations, USITC Pub. 3470 at 16; First Reviews, USITC Pub. 3929 at 13.

⁵⁵ Second Review, USITC Pub. 4363 at 8.

⁵⁶ See CR at I-11, PR at I-8.

⁵⁷ Original Determinations, USITC Pub. 3470 at 15-16.

⁵⁸ First Reviews, USITC Pub. 3929 at 13.

consumption fluctuated during the period, although it was slightly higher in 2011, at 436.6 million pounds, than in 2006 at 432.8 million pounds.⁵⁹ In this third five-year review, the record indicates that apparent U.S. consumption in 2016 was 528.9 million pounds.⁶⁰ The domestic interested parties maintain that apparent U.S. consumption of honey has increased in recent years.⁶¹ They provide data from the Food and Agriculture Organization (“FAO”), USDA, and Commerce, reporting that apparent U.S. consumption increased from 453.2 million pounds in 2012 to 528.9 million pounds in 2016.⁶²

2. Supply Conditions

In the prior proceedings, the Commission observed that the U.S. market is supplied by domestic production, subject imports, and nonsubject imports.⁶³ In the first five-year reviews, the Commission recognized that the bee population in the United States had declined over the prior 50 years by an estimated 40 to 50 percent.⁶⁴ It recognized that the major causes of this decline were disease and the use of pesticides.⁶⁵ In the second five-year review, the domestic interested parties reported that the domestic honey bee population continued to decline, due in part to the spread of disease, the use of insecticides, severe droughts, shrinking conservation reserve land, and colony collapse disorder.⁶⁶ During the current period of review, the domestic interested parties assert that U.S. production has fluctuated significantly, largely due to unfavorable climatic conditions beyond the control of domestic producers, such as colony collapse disorder and severe droughts.⁶⁷ The record in the current review also shows that Varroa mites, which feed on the honeybees’ blood causing deformities and reduced life spans, and carry honeybee diseases, continued to affect U.S. beekeepers through 2016.⁶⁸ In the first quarter of 2016, 34 percent of beekeepers with five or more colonies had varroa mites.⁶⁹ Similarly, honey production in the U.S. also fell in 2017, as a result of hurricanes in Texas and Florida—two major producing regions.⁷⁰

⁵⁹ Second Review, USITC Pub. 4364 at 8.

⁶⁰ CR/PR at Table I-5.

⁶¹ Domestic Interested Parties’ Response at 21, Exhibit 6; Domestic Industry’s Expedited Review Comments at 4.

⁶² Domestic Interested Parties’ Response at 9, Exhibit 6; Domestic Industry’s Expedited Review Comments at 7.

⁶³ Original Determinations, USITC Pub. 3470 at 17-18; First Reviews, USITC Pub. 3929 at 13; Second Review, USITC Pub. 4364 at 8.

⁶⁴ First Reviews, USITC Pub. 3929 at 14.

⁶⁵ First Reviews, USITC Pub. 3929 at 14.

⁶⁶ Second Review, USITC Pub. 4364 at 8-9

⁶⁷ Domestic Interested Parties’ Response at 8.

⁶⁸ See CR at I-4, PR at I-3.

⁶⁹ See CR at I-4, PR at I-3.

⁷⁰ See CR at I-4, PR at I-3.

In the original investigations, the Commission found that U.S. beekeepers' share of apparent U.S. consumption by quantity declined from 62.5 percent in 1998 to 52.7 percent in 2000.⁷¹ In the first five-year reviews, the domestic industry's share of apparent U.S. consumption was 56.1 percent in 2001 and 42.9 percent in 2005.⁷² The Commission found in the second five-year review that U.S. beekeepers' share of apparent U.S. consumption declined from 35.8 percent in 2006 to 34.0 percent in 2011.⁷³ U.S. beekeepers' share of apparent U.S. consumption was 30.6 percent in 2016.⁷⁴

In the original investigations, the Commission found that cumulated subject imports' share of apparent U.S. consumption by quantity increased from 28.4 percent in 1998 to 37.7 percent in 2000.⁷⁵ In the first five-year reviews, it found that, despite the orders, cumulated subject imports maintained a substantial share of the U.S. market, accounting for 28.1 percent of apparent U.S. consumption in 2005.⁷⁶ In the second five-year review, it found that the share of apparent U.S. consumption of subject imports from China dropped from 16.4 percent in 2006 to 0.8 percent in 2011.⁷⁷ Subject imports' share of the U.S. market was 0.06 percent in 2016.⁷⁸

In the original investigations, the Commission found that nonsubject imports exhibited a relatively stable presence in the U.S. market during most of the period examined.⁷⁹ Their share of apparent U.S. consumption by quantity increased irregularly from 9.2 percent in 1998 to 9.6 percent in 2000.⁸⁰ In the first five-year reviews, the Commission found that the volume of nonsubject imports increased over the period of review, accounting for 29.0 percent of apparent consumption in 2005.⁸¹ In the second five-year review, it found that nonsubject imports' (which now included imports from Argentina) share of apparent U.S. consumption ranged from 47.8 in 2006 to 65.3 percent in 2011.⁸² Nonsubject imports' share of the U.S. market was 69.3 percent in 2016.⁸³ The principal sources of nonsubject imports in 2016 were Vietnam, Argentina, and India.⁸⁴

⁷¹ Original Determinations, USITC Pub. 3470 at 18.

⁷² First Reviews, USITC Pub. 3929 at I-43, Table I-17.

⁷³ Second Review, USITC Pub. 4364 at 9.

⁷⁴ CR/PR at Table I-6.

⁷⁵ Original Determinations, USITC Pub. 3470 at 17-18.

⁷⁶ First Reviews, USITC Pub. 3929 at 13.

⁷⁷ Second Review, USITC Pub. 4364 at 9, Table I-6.

⁷⁸ CR/PR at Table I-6.

⁷⁹ Original Determinations, USITC Pub. 3470 at 17.

⁸⁰ Original Determinations, USITC Pub. 3470 at 17.

⁸¹ First Reviews, USITC Pub. 3929 at 13

⁸² Second Review, USITC Pub. 4364 at 9, Table I-6.

⁸³ CR/PR at Table I-6.

⁸⁴ CR/PR at Table I-4.

3. Substitutability and Other Conditions

In the original investigations and first and second five-year reviews, the Commission found that subject imports are generally substitutable with domestically produced honey and that price is an important factor in purchasing decisions.⁸⁵

In this review, there is no new information on the record to suggest any changes since the prior proceedings in substitutability between the domestic like product and subject imports or in the importance of price.⁸⁶ Accordingly, we again find that the domestic like product and subject imports are generally substitutable, and that price is an important factor in purchasing decisions.

C. Likely Volume of Subject Imports

1. The Prior Proceedings

In the original investigations, the Commission found that the quantity of cumulated subject imports increased over the entire period of investigation and that the value of these imports followed the same trend.⁸⁷ It found that, while the domestic industry's market share decreased over the period, subject import market share steadily and substantially increased, and that nonsubject imports exhibited a stable presence.⁸⁸ On this basis, the Commission found that the increased volume of subject imports was significant both in absolute terms and relative to consumption in the United States.⁸⁹

In the first five-year reviews, the Commission found that subject producers would have an incentive to ship significant volumes of additional exports to the United States if the orders were revoked.⁹⁰ The Commission based this finding on the substantial volume of cumulated subject imports into the United States and their gains in market share during the original investigations, the attractiveness of the U.S. market to subject producers (particularly as indicated by the number of new shipper reviews instituted by Chinese producers during the review period and the ability of exporters undergoing new shipper reviews to satisfy the duty deposit requirement on an entry with a bond as opposed to cash), the fact that there were substantial cumulated volumes of subject imports in the U.S. market throughout the period of

⁸⁵ Original Determinations, USITC Pub. 3470 at 16; First Reviews, USITC Pub. 3929 at 14; Second Review, USITC Pub. 4364 at 9.

⁸⁶ Domestic interested parties assert that, as in the prior proceedings, "the U.S. market for honey remains highly price-sensitive based on the substitutable nature of the product." Domestic Interested Parties' Response at 15.

⁸⁷ Original Determinations, USITC Pub. 3470 at 17. During the original period of investigation, subject imports from China increased from 30.5 million pounds, or 8.6 percent of the U.S. market in 1998, to 58.7 million pounds, or 14.0 percent of the U.S. market, in 2000. *Id.* at IV-4, Table IV-4.

⁸⁸ Original Determinations, USITC Pub. 3470 at 17-18.

⁸⁹ Original Determinations, USITC Pub. 3470 at 18.

⁹⁰ First Reviews, USITC Pub. 3929 at 16.

review notwithstanding the restraining effects of the orders, and the sizes and export orientation of both the Chinese and Argentine honey industries.⁹¹ Based on these facts, the Commission found that the likely volume of cumulated subject imports, both in absolute terms and relative to production and consumption in the United States, would be significant if the orders were revoked.⁹²

In the second five-year review, the Commission found that the volume of subject imports from China likely would be significant if the order were revoked.⁹³ The Commission based this determination on the substantial volumes of subject imports from China in the United States and their gains in market share during the original investigations, the Chinese industry's large and growing size, its export orientation, import restrictions in third-country markets, and the demonstrated interest of Chinese producers in the U.S. market, particularly as indicated by the fact that, in 2006, the final year before the new shipper review bond option was suspended, subject imports from China reached their peak levels during the 1996-2011 period for which the record contained data.⁹⁴ Based on these facts, the Commission found that the likely volume of subject imports from China, both in absolute terms and relative to production and consumption in the United States, would be significant if the order were revoked.⁹⁵

2. The Current Review

During the current period of review, subject imports had a limited presence in the U.S. market. Subject import volume ranged from 0 pounds in 2014 to a period high of 326,000 pounds in 2016.⁹⁶ Subject imports accounted for only 0.06 percent of apparent U.S. consumption in 2016.⁹⁷

While the limited volume of subject imports during the review period indicates that the order has had a disciplining effect, other information in the record indicates that the subject producers maintain both a strong interest in supplying the U.S. market and the ability to increase the amount they supply. The limited available data support the conclusion that subject imports are well-positioned to capture additional market share within a reasonably foreseeable time if the order were revoked.

⁹¹ First Reviews, USITC Pub. 3929 at 15-16. During the first period of review, subject imports from China fluctuated from a period low of 16.7 million pounds in 2002 to a period high of 64.7 million pounds in 2005. The market share of subject imports from China, which ranged from 4.5 to 16.4 percent during the period of review, was 15.9 percent in 2005. *Id.* at I-43, Table I-17.

⁹² First Reviews, USITC Pub. 3929 at 16.

⁹³ Second Review, USITC Pub. 4364 at 10.

⁹⁴ Second Review, USITC Pub. 4364 at 10-12.

⁹⁵ Second Review, USITC Pub. 4364 at 12.

⁹⁶ CR/PR at Table I-4.

⁹⁷ CR/PR at Table I-6.

Since the original investigation, China has been the world's largest producer of honey.⁹⁸ The available information indicates that production of honey in China increased from 1.02 billion pounds in 2012 to 1.04 billion pounds in 2014.⁹⁹ Levels of Chinese production in this review reflect substantial increases from the original investigations and prior reviews.¹⁰⁰ The domestic interested parties identified over 160 Chinese producers and exporters of honey that they claim remain actively engaged in the production and/or export of honey today.¹⁰¹

Subject producers are likely to direct additional exports to the United States upon revocation of the order. Available data indicate that honey producers in China are heavily export oriented, increasing their global exports during the period of review from 242.9 million pounds in 2012 to 282.9 million pounds in 2016, or by 16.5 percent.¹⁰² As a share of the Chinese industry's production, exports from China increased from 23.8 percent in 2012 to 27.4 percent in 2014.¹⁰³ Global exports of honey from China equaled 53.5 percent of apparent U.S. consumption in 2016.¹⁰⁴ Available Global Trade Atlas data indicate that China was the world's largest exporter of honey by value in each year of the review period, with the exception of 2012 when Argentina was the largest exporter.¹⁰⁵ The domestic interested parties attribute increases in Chinese exports of honey to government policies promoting the production and export of agriculture products.¹⁰⁶

Chinese producers have continuously demonstrated their interest in the U.S. market since imposition of the order through various circumvention schemes, such as the new shipper review bond scheme, the undervaluation of entries, third country circumvention, and mislabeling honey as other sugar products.¹⁰⁷ In 2012, Commerce made an affirmative final determination of circumvention, finding that some Chinese-produced honey had been adulterated with rice syrup to fall outside the scope of the order and that blends of honey and rice syrup, regardless of the percentage of honey, are subject to the antidumping duty order.¹⁰⁸ Thus, the record indicates that producers in China have continued efforts to direct honey to the U.S. market notwithstanding the order.¹⁰⁹ The attractiveness of the U.S. market to subject

⁹⁸ CR at I-33, PR at I-23 to I-24.

⁹⁹ CR/PR at Tables I-7, I-20. Data for 2015 and 2016 are not available.

¹⁰⁰ CR/PR, Appendix C at Table I-20; Second Review, USITC Pub. 4364 at Table I-7. The Chinese industry's production capacity was 438.6 million pounds in 2000, the final year of the original investigations, 657.0 million pounds in 2005, the final year of the first reviews, and an estimated 877.4 million pounds in 2010, the last year of the second review for which data were available.

¹⁰¹ Domestic Interested Parties' Response at 8, Exhibit 3; Domestic Industry's Expedited Review Comments at 7.

¹⁰² CR/PR at Table I-7.

¹⁰³ CR/PR at Table I-7. Data for 2015 and 2016 are not available.

¹⁰⁴ CR/PR at Tables I-7, I-5.

¹⁰⁵ CR/PR at Table I-9.

¹⁰⁶ CR at I-34 to I-35, PR at I-24 to I-25.

¹⁰⁷ CR at I-29, PR at I-20.

¹⁰⁸ CR at I-21, PR at I-15.

¹⁰⁹ CR at I-29, PR at I-20.

producers is further demonstrated by the fact that the United States was consistently the world's largest importer of honey by value throughout the current review period.¹¹⁰

Moreover, the Chinese industry faces restrictions on its access to several export markets. For instance, while the record indicates that there are no outstanding antidumping and/or countervailing duty measures against honey produced in China in third countries,¹¹¹ the European Union ("EU") and Canada require honey imports to undergo more rigorous laboratory tests for certain antibiotics and other undesirable chemicals than are used by the United States.¹¹² In addition, the EU requires labeling for honey containing more than 0.9 percent genetically modified organisms.¹¹³ Available Global Trade Atlas data indicate that the value of China's honey exports to various EU countries, with the exception of the United Kingdom, decreased considerably from 2015 to 2016.¹¹⁴ Chinese honey producers can also easily shift among export markets. Chinese exports to Japan increased by \$37.4 million from 2015 to 2016, or by 66.3 percent, and exports to Belgium decreased by \$19.9 million, or by 42.0 percent.¹¹⁵ These actions demonstrate that subject producers would likely be able to direct substantial exports to the United States should the order be revoked.¹¹⁶

Based on the above, we find that subject producers would likely increase their exports to the United States if the antidumping duty order were to be revoked. This is demonstrated, in particular, by the large size of the industry in China and its growing export orientation, the continued interest of Chinese producers in the U.S. market, and the restrictions faced by Chinese exports of honey in various third-country markets. Accordingly, based on the available information, we conclude that the volume of subject imports would likely be significant, both in absolute terms and relative to U.S. consumption, should the order be revoked.

D. Likely Price Effects

1. The Prior Proceedings

In the original investigations, the Commission found that price was an important factor in purchasing decisions.¹¹⁷ Subject imports undersold the domestic like product in 72 percent of price comparisons during the period examined, with margins of underselling ranging from 0.4 percent to 20.8 percent.¹¹⁸ The Commission found the margins of underselling to be significant,

¹¹⁰ CR/PR at Table I-10.

¹¹¹ CR at I-36, PR at I-26.

¹¹² CR at I-36 to I-37, PR at I-26 to I-27.

¹¹³ CR at I-37, PR at I-27.

¹¹⁴ CR/PR at Table I-8.

¹¹⁵ CR/PR at Table I-8.

¹¹⁶ Because of the expedited nature of this review, the record does not contain information about inventories of the subject merchandise or the subject industry's potential for product shifting.

¹¹⁷ Original Determinations, USITC Pub. 3470 at 18.

¹¹⁸ Original Determinations, USITC Pub. 3470 at 18. Subject imports from China undersold the domestic like product in 39 of 51 comparisons. *Id.* at V-10, Table V-5.

significant, especially in view of the large and increasing volumes of subject imports that represented a substantial portion of the market.¹¹⁹

The Commission also found that subject imports had significant price effects during the period of investigation.¹²⁰ It emphasized that both domestic and subject import prices for honey fell by 17 to 26 percent over the period for all pricing products with available data.¹²¹ It concluded that, in view of the significant underselling by subject imports and depressed prices for the domestic like product, together with subject imports' increased volumes and market share, the subject imports had depressed prices for the domestic like product to a significant degree during the period.¹²²

In the first five-year reviews, the Commission found that subject imports would likely have significant price effects if the orders were revoked. Explaining that it did not have any new product-specific pricing information on the record, the Commission stated that the publicly available data showed that the subject imports continued to undersell the domestic like product, often by substantial margins.¹²³

The Commission observed that the annual average price of retail sales of honey by domestic producers and sales of honey to private processors and cooperatives in the United States declined substantially during the period of review.¹²⁴ Further, increasing volumes of low-priced subject imports coincided with the downturn in honey prices after 2003, and the later decline in prices coincided with the increase in imports from China from producers subject to the new shipper review process.¹²⁵ On this basis, the Commission found that the likely significant volume of subject imports at relatively low prices in a price-competitive market would be likely to have significant depressing or suppressing effects on prices of the domestic like product upon revocation of the orders.¹²⁶

In the second five-year review, the Commission found the domestic like product and imports from all sources to be generally substitutable, and that price continued to be an important factor in purchasing decisions.¹²⁷ It concluded that, if the antidumping duty order were revoked, Chinese producers and exporters would likely have an incentive to price subject imports significantly below the prevailing U.S. price to induce U.S. purchasers to switch to subject imports, as they did in the original investigations.¹²⁸ Because of the interchangeability

¹¹⁹ Original Determinations, USITC Pub. 3470 at 18.

¹²⁰ Original Determinations, USITC Pub. 3470 at 18.

¹²¹ Original Determinations, USITC Pub. 3470 at 18.

¹²² Original Determinations, USITC Pub. 3470 at 19.

¹²³ First Reviews, USITC Pub. 3929 at 16-17.

¹²⁴ First Reviews, USITC Pub. 3929 at 17.

¹²⁵ First Reviews, USITC Pub. 3929 at 17.

¹²⁶ First Reviews, USITC Pub. 3929 at 17.

¹²⁷ Second Review, USITC Pub. 4363 at 13.

¹²⁸ Second Review, USITC Pub. 4363 at 13. While acknowledging that average unit values ("AUVs") are of limited utility in light of potential product mix differences, the Commission found that the available evidence indicated that AUVs for subject imports were below those for the domestic (Continued...)

between subject imports and domestic honey and the importance of price in purchasing decisions, the Commission concluded that underselling was likely to result in significant price effects, similar to those found in the prior reviews and original investigations.¹²⁹

2. The Current Review

As noted above, the limited record in this review indicates that imports of honey from China and the domestic like product are generally substitutable and that price continues to be an important factor in purchasing decisions. This review, due to its expedited nature, does not contain product-specific pricing data. We have found, however, that subject import volumes from China would likely increase significantly upon revocation of the order. Given the continued attractiveness of the U.S. market and the importance of price to purchasers, subject producers would be likely to resume the behavior observed in the original investigation, offering subject merchandise in the U.S. market at low prices to gain market share. These subject imports would likely undersell domestically produced honey, as they did during the original investigations. Consequently, there would likely be significant underselling by subject imports from China.

Because of the substitutability between the domestic like product and subject imports, and because price continues to be an important factor in purchasing decisions, the likely significant volume of subject imports, which would undersell the domestic like product, would likely force the domestic industry to lower prices, restrain price increases, or lose sales. In light of these considerations, we conclude that subject imports would likely have significant depressing or suppressing effects on prices for the domestic like product upon revocation of the order.

E. Likely Impact

1. The Prior Proceedings

In the original investigations, the Commission found that significant cumulated volumes of low-priced subject imports had a significant impact on the domestic industry.¹³⁰ While domestic consumption increased steadily and significantly between 1998 and 2000, the domestic producers' market share decreased.¹³¹ Additionally, most indicia of the domestic industry's financial and operating performance declined during the period of investigation, including production, net sales, shipments, and operating income.¹³² Given the significant

(...Continued)

industry and nonsubject imports during the period of review, thereby further indicating the likelihood of significant underselling by subject imports upon revocation of the order. *Id.* at 13, n. 88.

¹²⁹ Second Review, USITC Pub. 4363 at 13.

¹³⁰ Original Determinations, USITC Pub. 3470 at 22.

¹³¹ Original Determinations, USITC Pub. 3470 at 20.

¹³² Original Determinations, USITC Pub. 3470 at 20-21. In its impact analysis, the Commission recognized that under section 771(7)(D)(ii) of the Tariff Act, in cases involving agricultural products, it (Continued...)

increases in the cumulated volume and market share of the subject imports during the period of investigation, that the subject imports undersold the domestic like product and had a significant depressing effect on domestic prices, and that the overall condition of the industry declined as a result, the Commission found that subject imports had a significant impact on the domestic industry.¹³³

In the first five-year reviews, the Commission found cumulated subject imports would be likely to have a significant impact on the domestic industry within a reasonably foreseeable time in the event of revocation.¹³⁴ It indicated that the limited evidence in the expedited reviews was insufficient to make a finding on whether the domestic industry producing honey was vulnerable.¹³⁵ The Commission found that, in the event of revocation, the significant likely volume of low-priced subject imports and the likely significant price effects of those imports would likely have a significant impact on the domestic industry.¹³⁶ The Commission concluded that the likely reduction in the industry's production, shipments, sales, and revenue levels would have a direct adverse impact on the industry's profitability and employment levels, as well as its ability to raise capital and make and maintain necessary capital investments.¹³⁷

In the second five-year review, in light of the limited information available with respect to the domestic industry's performance, the Commission did not make a finding on whether the domestic industry was vulnerable to the continuation or recurrence of material injury in the event of revocation of the order.¹³⁸ It stated that, during the period of review, U.S. beekeepers' honey production declined irregularly from 154.9 million pounds in 2006 to 148.4 million pounds in 2011, and that these levels were below the industry's production levels in the original investigations and prior reviews.¹³⁹ The Commission found that, should the order be revoked, the likely volume and price effects of the subject imports would likely have a significant impact on the production, shipment, sales, market share, and revenues of the domestic industry.¹⁴⁰ These declines would likely have a direct adverse impact on the industry's profitability and employment, as well as its ability to raise capital, to make and maintain capital investments, and to fund research and development.¹⁴¹

(...Continued)

"shall consider any increased burden on government income or price support programs." *Id.* at 21. The Commission noted that beekeepers received agricultural program payments and loans during the period of investigation. *Id.* It also noted that beekeepers had indicated that one of the negative effects of unfairly traded imports was the difficulty in repaying agricultural program loans. *Id.* It also found that some beekeepers had to borrow money to repay their loans, which resulted in a "downward spiral because the low prices do not generate the income to repay loans." *Id.*

¹³³ Original Determinations, USITC Pub. 3470 at 21-22.

¹³⁴ First Reviews, USITC Pub. 3929 at 19.

¹³⁵ First Reviews, USITC Pub. 3929 at 18-19.

¹³⁶ First Reviews, USITC Pub. 3929 at 19.

¹³⁷ First Reviews, USITC Pub. 3929 at 19.

¹³⁸ Second Review, USITC Pub. 4363 at 15.

¹³⁹ Second Review, USITC Pub. 4363 at 15-16.

¹⁴⁰ Second Review, USITC Pub. 4363 at 16.

¹⁴¹ Second Review, USITC Pub. 4363 at 16.

The Commission also considered the role of other factors so as not to attribute likely injury from these factors to the subject imports. It acknowledged that nonsubject imports were present in the U.S. market in significant quantities throughout the review period, but observed that the AUVs of subject imports were below the AUVs of nonsubject imports.¹⁴² It consequently found that the continued presence of nonsubject imports was unlikely to sever the causal nexus between the subject imports and their likely significant impact on the domestic industry if the order were revoked.¹⁴³ In sum, the Commission concluded that, if the antidumping duty order were revoked, subject imports would likely have a significant adverse impact on the domestic industry within a reasonably foreseeable time.¹⁴⁴

2. The Current Review

In this expedited review, the information available on the domestic industry's condition is equally limited. Information from USDA shows that U.S. beekeepers' production totaled 161.9 million pounds in 2016, an increase from 148.4 million pounds in 2011, which was the end of the second review period, but still much lower than the 221.0 and 174.6 million pounds of U.S. production in 2000 and 2005, the final years of the periods examined in the original investigations and first reviews, respectively.¹⁴⁵ U.S. beekeepers' colonies also slightly increased to 2.8 million in 2016 from 2.5 million in 2011, but their yield per colony in 2016 was lower than that in the prior proceedings (83.9 pounds per colony in 2000, 72.5 pounds in 2005, 59.6 pounds in 2011, and 58.3 pounds in 2016).¹⁴⁶ According to data provided by the domestic interested parties, the U.S. independent packers' domestic shipments were *** million pounds in 2016.¹⁴⁷ In that year, their total beekeeping revenue was \$*** million, their beekeeping/operating expenses were \$*** million, and their net *** before taxes was \$*** million.¹⁴⁸ The limited evidence in this expedited review is insufficient for us to make a finding on whether the domestic industry is vulnerable to the continuation or recurrence of material injury in the event of revocation of the order.

Based on the information available in this review, we find that revocation of the order would likely lead to a significant volume of subject imports and that these imports would likely undersell the domestic like product to a significant degree, resulting in likely significant depression or suppression of the domestic industry's prices. We find that the increased subject import competition that would likely occur after revocation of the order would likely have a significant impact on the domestic industry. The domestic industry would likely lose market

¹⁴² Second Review, USITC Pub. 4363 at 16.

¹⁴³ Second Review, USITC Pub. 4363 at 16.

¹⁴⁴ Second Review, USITC Pub. 4363 at 16.

¹⁴⁵ CR/PR at Table I-3. U.S. beekeepers' ending stocks showed a similar pattern, increasing to 41.3 million pounds in 2016 from 36.8 million pounds in 2011, but still much lower than the 86.2 and 62.4 million pounds of ending stocks in 2000 and 2005, respectively. *Id.*

¹⁴⁶ CR/PR at Table I-3.

¹⁴⁷ CR/PR at Table I-3.

¹⁴⁸ CR/PR at Table I-3.

share to subject imports and/or experience lower prices due to competition from subject imports, which would adversely impact its production, shipments, sales, and/or revenue. These reductions would likely have a direct adverse impact on the domestic industry's profitability and employment levels, as well as its ability to raise capital and make and maintain necessary capital investments.

We have also considered the role of factors other than subject imports, including the presence of nonsubject imports, so as not to attribute likely injury from other factors to the subject imports. Nonsubject imports have been present in the U.S. market since the original investigation; their share of apparent U.S. consumption, based on quantity, was 69.3 percent in 2016, a higher level than during the prior proceedings.¹⁴⁹ Nevertheless, because the domestic industry maintains a substantial share of the U.S. market,¹⁵⁰ and subject imports will likely compete head-to-head with the domestic like product upon revocation, the likely increase in subject imports will likely take market share away from the domestic industry as well as from nonsubject imports. Consequently, the subject imports will likely have adverse effects distinct from any that may be caused by nonsubject imports.

Accordingly, we conclude that, if the antidumping duty order on honey from China were to be revoked, subject imports would likely have a significant impact on domestic producers of honey within a reasonably foreseeable time.

IV. Conclusion

For the above reasons, we determine that revocation of the antidumping duty order on honey from China would likely lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

¹⁴⁹ See CR/PR at Table I-6.

¹⁵⁰ The U.S. beekeepers' production accounted for 30.6 percent of apparent U.S. consumption in 2016. CR/PR at Table I-6.

INFORMATION OBTAINED IN THIS REVIEW

BACKGROUND

On November 1, 2017, the U.S. International Trade Commission (“Commission”) gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”),¹ that it had instituted a review to determine whether revocation of an antidumping duty order on honey from China would likely lead to the continuation or recurrence of material injury to a domestic industry.² All interested parties were requested to respond to this notice by submitting certain information requested by the Commission.^{3 4} The following tabulation presents information relating to the background and schedule of this proceeding:

Effective or statutory date	Action
November 1, 2017	Notice of initiation and institution by Commerce and Commission (82 FR 50683)
February 5, 2018	Commission vote on adequacy
March 1, 2018	Commerce results of its expedited review
April 16, 2018	Determinations and views to Commerce

RESPONSES TO THE COMMISSION’S NOTICE OF INSTITUTION

Individual responses

The Commission received one submission in response to its notice of institution in the subject review. The submission was filed on behalf of the following entities:

1. The American Honey Producers Association (“AHPA”), and the Sioux Honey Association (“SHA”), trade or business associations with majority of whose

¹ 19 U.S.C. 1675(c).

² *Honey From China; Institution of a Five-Year Review*, 82 FR 50683, November 1, 2017. In accordance with section 751(c) of the Act, the U.S. Department of Commerce (“Commerce”) published a notice of initiation of a five-year review of the subject antidumping duty order concurrently with the Commission’s notice of institution. *Initiation of Five-Year (Sunset) Reviews*, 82 FR 50612, November 1, 2017. Pertinent *Federal Register* notices are referenced in app. A, and may be found at the Commission’s website (www.usitc.gov).

³ As part of their response to the notice of institution, interested parties were requested to provide company-specific information. That information is presented in app. B. Summary data compiled in prior proceedings is presented in app. C.

⁴ Interested parties were also requested to provide a list of three to five leading purchasers in the U.S. market for the subject merchandise. Presented in app. D are the responses received from purchaser surveys transmitted to the purchasers identified in the adequacy phase of this review.

members manufacture, produce, or wholesale a domestic like product in the United States (collectively referred to herein as “domestic interested party”)⁵

A complete response to the Commission’s notice of institution requires that the responding interested party submit to the Commission all the information listed in the notice. Responding firms are given an opportunity to remedy and explain any deficiencies in their responses. A summary of the number of responses and estimates of coverage for each is shown in table I-1.

Table I-1
Honey: Summary of responses to the Commission’s notice of institution

Type of interested party	Completed responses	
	Number	Coverage
Domestic:		
U.S. producer	1	***% ¹

¹ In their response to the notice of institution, domestic interested party estimated that they account for this share of total U.S. production of honey during 2016. Domestic interested party’s response to the Notice of Institution, December 1, 2017, p. 20.

Party comments on adequacy

The Commission received one submission from a party commenting on the adequacy of responses to the notice of institution and whether the Commission should conduct an expedited or full review. The submission was filed on behalf of the domestic interested party.

The domestic interested party argued that the Commission should find the respondent interested party group response to be inadequate since there was no submission by any respondent interested party. Therefore, because of the inadequate response by any respondent interested party and the fact that there have been no major changes in the conditions of competition in the market since the Commission’s last five-year review, they request that the Commission conduct an expedited review of the antidumping duty order on honey.

⁵ The AHPA is a trade association whose members are engaged in the business of producing honey in the United States. The SHA is a non-profit cooperative marketing organization that collects, processes, packs, and markets honey produced by its members as well as by independent beekeepers. Domestic interested parties’ Comments on Adequacy, December 1, 21, p. 2.

RECENT DEVELOPMENTS IN THE INDUSTRY

Since the Commission's last five-year review, the following developments have occurred in the honey industry.

- The U.S. honey industry continued to struggle with the loss of colonies due to Colony Collapse Disorder ("CCD"), although reportedly the rate of loss due to CCD has slowed since 2010.^{6 7} About 23 percent of U.S. hives were lost in the winter of 2014-15 compared to losses of almost 29 percent in the winter of 2006-07.⁸
- Varroa mites, which feed on the honeybees' blood causing deformities and reduced life spans, and carry honeybee diseases, continued to affect U.S. beekeepers through 2016.⁹ In the first quarter of 2016, 34 percent of beekeepers with five-or more colonies had varroa mites.¹⁰
- In 2017 U.S. honey production fell because of severe weather including droughts in about half-a dozen states and hurricanes in Texas and Florida—two major producing regions.¹¹

THE ORIGINAL INVESTIGATION AND SUBSEQUENT REVIEWS

The original investigation

The original investigation resulted from a petition filed on September 29, 2000, with Commerce and the Commission by the AHPA, Bruce, South Dakota, and the SHA, Sioux City, Iowa, alleging that an industry in the United States was materially injured and threatened with material injury by reason of less-than-fair-value ("LTFV") imports of honey from Argentina and China and by reason of subsidized imports of honey from Argentina. The Commission completed its original investigations on November 19, 2001, determining that an industry in the United States was materially injured by reason of imports of honey from Argentina that were found by Commerce to be subsidized by the Government of Argentina and by reason of imports

⁶ Domestic interested party's response to the Notice of Institution, December 1, ex. 11; USDA, "ARS Honey Bee Health and Colony Collapse Disorder," modified October 26, 2017; USDA, NASS, Honey Bee Colonies, August 1, 2017; USDA, NASS, Honey Bee Colonies, May 12, 2016.

⁷ CCD leads to the disappearance of most, if not all, of the adult honey bees in a colony, leaving behind honey and brood but no dead bee bodies. The exact cause of CCD is unknown.

⁸ Domestic interested party's response to the Notice of Institution, December 1, ex. 11 referencing the EPA, Colony Collapse Disorder, January 19, 2017.

⁹ USDA, "ARS Honey Bee Health and Colony Collapse Disorder," modified October 26, 2017; USDA, NASS, Honey Bee Colonies, May 12, 2016; 2012 Staff report, p. 25.

¹⁰ USDA, NASS, Honey Bee Colonies, May 12, 2016.

¹¹ *American Bee Journal*, "U.S. Honey Crops and Markets," November, 2017.
<http://americanbeejournal.com/category/departments/u-s-honey-crops-and-markets/>

of honey from Argentina and China that were found by Commerce to be sold at LTFV.¹² On December 10, 2001, Commerce issued its antidumping duty order on China with the final weighted-average dumping margins ranging from 25.88 to 183.80 percent.¹³ On December 10, 2001, Commerce issued its antidumping and countervailing duty orders on Argentina with the final weighted-average dumping margins ranging from 27.04 to 55.15 percent and an estimated countervailable subsidy rate of 4.53 percent.¹⁴

The first five-year review

In November 2006, the Commission instituted the first five-year reviews on honey from Argentina and China.¹⁵ On February 5, 2007, the Commission determined that it would conduct expedited five-year reviews of the antidumping duty orders on honey from Argentina and China and the countervailing duty order on honey from Argentina.¹⁶ On March 7, 2007, Commerce published its determination that revocation of the antidumping duty orders on honey from Argentina and China and the countervailing duty order on honey from Argentina would be likely to lead to continuation or recurrence of dumping and of a countervailable subsidy.¹⁷ On July 18, 2007, the Commission notified Commerce of its determination that material injury would be likely to continue or recur within a reasonably foreseeable time.¹⁸ Following affirmative determinations in the five-year reviews by Commerce and the Commission, effective, August 2, 2007, Commerce issued a continuation of the antidumping duty orders on imports of honey from Argentina and China and the countervailing duty order on imports of honey from Argentina.¹⁹

¹² *Honey from Argentina and China: Investigations Nos. 701-TA-402 and 731-TA-892-893 (Final)*, USITC Publication 3470, November 2001, p. 1.

¹³ *Antidumping Duty Order Regarding Imports From China*, 66 FR 63670, December 10, 2001.

¹⁴ *Countervailing Duty Order Regarding Imports From Argentina* 66 FR 63673, December 10, 2001. *Antidumping Duty Order Regarding Imports From Argentina*, 66 FR 63672, December 10, 2001.

¹⁵ *Institution Of Five Year Reviews Concerning The Countervailing Duty Order On Honey From Argentina And The Antidumping Duty Orders On Honey From Argentina And China*, 71 FR 64292, November 1, 2006.

¹⁶ *Honey From Argentina and China*, 72 FR 6745, February 13, 2007.

¹⁷ *Honey From Argentina and the People's Republic of China; Final Results of the Expedited Five-Year ("Sunset") Reviews of Antidumping Duty Orders*, 72 FR 10150, March 7, 2007.

¹⁸ *Honey From Argentina and China*, 72 FR 39445, July 18, 2007.

¹⁹ *Continuation of Antidumping Duty Orders on Honey From Argentina and the People's Republic of China, and Continuation of Countervailing Duty Order on Honey From Argentina*, 72 FR 42384, August 2, 2007.

The second five-year review

On July 2, 2012, the Commission instituted the second five-year review on honey from Argentina and China.²⁰ On September 21, 2012, Commerce published notice that it was revoking the countervailing duty and antidumping duty orders on honey from Argentina because no domestic interested party responded to the sunset review notice of initiation.²¹ Subsequently, the Commission terminated the reviews concerning honey from Argentina effective September 27, 2012.²²

On October 5, 2012, the Commission determined that it would conduct an expedited review of the antidumping duty order on honey from China.²³ On October 1, 2012, Commerce published its determination that revocation of the antidumping duty order on honey from China would be likely to lead to continuation or recurrence of dumping.²⁴ On November 29, 2012, the Commission notified Commerce of its determination that material injury would be likely to continue or recur within a reasonably foreseeable time.²⁵ Following affirmative determinations in the five-year review by Commerce and the Commission, effective, December 13, 2012, Commerce issued a continuation of the antidumping duty order on imports of honey from China.²⁶

PRIOR RELATED INVESTIGATIONS

In 1976, the Commission conducted an investigation concerning honey under section 201 of the Trade Act of 1974.²⁷ At that time, the Commission determined that honey was being imported into the United States in such increased quantities as to be a substantial cause of the threat of serious injury to the domestic industry producing articles like or directly competitive with the imported article. The Commission found that a tariff-rate quota system was necessary to prevent the threatened injury. On August 28, 1976, President Ford advised Congress that,

²⁰ *Honey From Argentina and China Institution of Five-Year Reviews Concerning the Countervailing Duty Order on Honey From Argentina and the Antidumping Duty Orders on Honey from Argentina and China*, 77 FR 39257, July 2, 2012.

²¹ *Honey From Argentina; Final Results of Sunset Reviews and Revocation of Antidumping Duty and Countervailing Duty Orders*, 77 FR 58524, September 21, 2012.

²² *Investigation Nos. 701-TA-402 and 731-TA-892 (Second Review); Honey From Argentina; Termination of Five-Year Reviews*, 77 FR 64827, October 23, 2012.

²³ *Honey From China; Scheduling of an Expedited Five-Year Review Concerning the Antidumping Duty Order on Honey From China*, 77 FR 65204, October 25, 2012.

²⁴ *Honey From the People's Republic of China: Final Results of Expedited Sunset Review of the Antidumping Duty Order*, 77 FR 59896, October 1, 2012.

²⁵ *Honey From China; Determination*, 77 FR 72385, December 5, 2012.

²⁶ *Honey From the People's Republic of China: Continuation of Antidumping Duty Order*, 77 FR 74173, December 13, 2012.

²⁷ *Honey, Report to the President on Investigation No. TA-201-14 Under Section 201 of the Trade Act of 1974*, USITC Publication 78 1, June 1976.

“import relief for the U.S. industry engaged in the commercial production and extraction of honey is not in the national economic interest.”²⁸

On October 6, 1993, following a request from the U.S. Trade Representative, the Commission instituted an investigation under the provisions of section 406(a) of the Trade Act of 1974. As a result, of the investigation, the Commission determined that imports of honey from China were increasing rapidly so as to be a significant cause of market disruption to a domestic industry in the United States. On January 7, 1994, the Commission reported its determinations and recommendations to the President.²⁹ On April 21, 1994, President Clinton determined that import relief for honey was not in the national interest of the United States and directed the U.S. Trade Representative to develop a plan to monitor imports of honey from China.³⁰

On October 3, 1994, the American Beekeeping Federation (“ABF”) and the AHPA filed a petition alleging that an industry in the United States was materially injured and threatened with material injury by reason of LTFV imports of honey from China. The Commission subsequently made an affirmative preliminary determination³¹ and Commerce issued a preliminary determination finding dumping margins ranging from 127.52 to 157.16 percent *ad valorem*.³²

On August 2, 1995, Commerce and representatives of the government of China concluded an agreement that suspended the investigations being conducted by the Commission and Commerce concerning honey from China. The suspension agreement obligated the government of China to restrict the volume of honey exports to the United States from all Chinese producers/exporters³³ and establish a pricing mechanism for Chinese exports.³⁴ Specifically, Chinese honey exported to the United States could not be sold at a price less than a reference price, which the agreement defined to be “92 percent of the weighted-

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

²⁹ *Honey From China*, Investigation Nos. TA-406-13, USITC Publication 2715, January 1994.

³⁰ *Presidential Documents, Import Relief Determination Under Section 406 of the Trade Act of 1974 on Honey from the People’s Republic of China*, 59 FR 19627, April 25, 1994.

³¹ *Honey from the People’s Republic of China, Investigation Nos. 731-TA-722 (Preliminary)*, USITC Publication 2832, November 1994.

³² *Notice of Preliminary Determination of Sales at Less Than Fair Value: Honey from the People’s Republic of China*, 60 FR 14725, March 20, 1995.

³³ The export limit was set at 43.925 million pounds plus or minus a maximum of 6 percent per year based on changes in the U.S. market for honey. *Agreement Suspending the Antidumping Investigation from the People’s Republic of China*, 60 FR 42522, August 16, 1995.

³⁴ *Honey From the People’s Republic of China; Suspension of Investigation*, 60 FR 42521, August 16, 1995.

average of the honey unit import values from all other countries for the most recent six months of data available at the time the reference price is calculated.”³⁵

On July 3, 2000, the Commission and Commerce instituted five-year reviews concerning the suspended investigation on honey from China.³⁶ The U.S. industry elected not to participate in the sunset review of the suspended investigation because it believed that the reference price mechanism of the suspension agreement was unsuccessful in establishing price stability. Based on the fact that no domestic interested party expressed a willingness to participate in the five-year sunset review, Commerce published a notice on July 28, 2000, terminating the suspended investigation concerning honey from China.³⁷

THE PRODUCT

Commerce’s scope

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

The products covered by the order are natural honey, artificial honey containing more than 50 percent natural honey by weight, preparations of natural honey containing more than 50 percent natural honey by weight and flavored honey. The subject merchandise includes all grades and colors of honey whether in liquid, creamed, comb, cut comb, or chunk form, and whether packaged for retail or in bulk form.³⁸

Description and uses³⁹

Honey is a sweet viscous fluid derived from the nectar of flowers and produced in the honey sac of bees. Honey is an invert sugar, composed approximately 70 percent of simple sugars (i.e., fructose and glucose) and approximately 17 percent of water.⁴⁰

³⁵ Following consultation and negotiation between China and the United States, an agreement was reached to change the period for the calculation of the reference price. Beginning on July 1, 1998, the reference price was based on the most recent three months of data

³⁶ *Notice of Initiation of Five-Year (“Sunset”) Reviews*, 65 FR 41053, July 3, 2000 and *Institution of a five-year review concerning the suspended investigation on honey from China*, 56 FR 41085, July 3, 2000.

³⁷ *Termination of Suspended Antidumping Duty Investigation on Honey from the People’s Republic of China*, 65 FR 46426, July 28, 2000.

³⁸ *Honey From the People’s Republic of China: Continuation of Antidumping Duty Order*, 77 FR 74173, December 13, 2012.

³⁹ Unless indicated otherwise the discussion in this section is based on information contained in *Honey from Argentina and China, Investigations Nos. 701-TA-402, 731-TA-892-893 (Review)*, USITC Publication 3929 (June 2007) and *Honey From China 731-TA-893 (second review)* USITC Publication 4364, November 2012, p. I-16-18.

⁴⁰ The remaining components of honey are maltose, sucrose, and other complex carbohydrates.

Honey is classified by its individual characteristics (e.g., floral source, color, season, physical state, and means of preparation).⁴¹ There are over 300 unique varieties of honey that are produced in the United States, differing in flavor and color.⁴² Honey may be classified as monofloral (i.e., the nectar is extracted from a specific blossom type) or polyfloral (i.e., the nectar is extracted from multiple botanical sources, with no single predominant floral source).⁴³ The floral source gives honey its distinctive flavor (e.g., star thistle, orange blossom, sage, and clover) and color (e.g., dark amber). Generally, lighter-colored honeys (e.g., clover honey) possess a more mild flavor, while darker-colored honeys (e.g., buckwheat honey) possess a stronger flavor.⁴⁴ Honey is valued on the basis of floral source and color, and in most countries the light-colored and milder-tasting honeys are considered to be more valuable. While many varieties of honey exist on the market, most honey is blended to achieve a desired color and flavor,⁴⁵ as well as to provide a uniform product throughout a given market and/or lower costs. Most natural honey produced in the United States is marketed in liquid form, which is honey that is extracted from the comb by centrifugal force, gravity, or straining. Natural honey is also marketed as cream honey (also called “creamed,” “whipped,” or “spun”), which consists of pure honey in which dextrose crystallization has been encouraged; comb honey, which is honey marketed in the beeswax comb, both of which are edible; cut comb honey, which is liquid honey that has been packaged with chunks of honey comb; and dry honey (also known as “dried” or “powdered”), which is made by removing the water found in liquid honey by drum- or spray-drying.⁴⁶

As a sweetener, honey appears in a variety of products such as bread and other baked goods, cereal, condiments, candy. Non-food applications for honey include use in pharmaceutical products, and non-food processed products including as an input in hair care products. Honey also contains mild antiseptic properties when used on the skin.

⁴¹ *The Hive and the Honey Bee*, Dadant & Sons, Inc., Hamilton, IL, 1992, p. 869.

⁴² National Honey Board, *America’s Honey Suppliers*, 1999, p. v; National Honey Board, Honey Color and Flavor, <https://www.honey.com/newsroom/presskit/honey-color-and-flavor> (accessed December 6, 2017).

⁴³ Examples of monofloral classifications include “blueberry honey” and “clover honey.” Examples of polyfloral classifications include “autumn honey” and “mountain honey,” referring to the time of year or general area in which the honey was produced.

⁴⁴ National Honey Board, Honey Varietals, <https://www.honey.com/about-honey/honey-varietals> (accessed December 6, 2017); National Honey Board, Honey Color and Flavor, <https://www.honey.com/newsroom/presskit/honey-color-and-flavor> (accessed December 6, 2017).

⁴⁵ National Honey Board, *America’s Honey Suppliers*, 1999, p. v; National Honey Board, Honey Color and Flavor, <https://www.honey.com/newsroom/presskit/honey-color-and-flavor> (accessed December 6, 2017).

⁴⁶ National Honey Board, *America’s Honey Suppliers*, 1999, p. iv.

Artificial honey mixed with natural honey

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

Preparations of natural honey and flavored honey

Preparations of natural honey are not explicitly defined in the HTS or in the explanatory notes to the HTS; however, in the explanatory notes it is indicated that the 6-digit HTS subheading 2106.90 includes “natural honey mixed with bees’ royal jelly.”⁴⁷ The notes do not indicate the percentage of honey content required for classification under this subheading; however, in the scope language, such preparations must contain more than 50 percent by natural weight of honey.⁴⁸ It is not clear whether importation of the product exists, but it is likely that any such imports comprise a small portion of imports entering under the HTS subheading. Also, it is not clear whether there is substantial production of the product in the United States; the product, as defined in the scope language, would most likely be marketed as a specialty product in specialty stores and health food stores.

Flavored honey was not explicitly defined by the petitioners in the original investigation. In fact, Customs reported that, although no official definition exists, the unofficial guideline is that a product entering under statistical reporting number 2106.90.9888 (“flavored honey”) must contain 99 percent or more honey by weight. Imports of flavored honey are not significant relative to overall imports of natural honey. Flavored honey is most likely sold as a specialty product for retail consumption and not for industrial use.

⁴⁷ Royal jelly is food, rich in gland products and sugars, which is produced and fed by the bees to potential queens. The main markets for royal jelly in North America are the cosmetics industry and the health food market. *The Hive and the Honey Bee*, op. cit., pp. 81 and 971-972.

⁴⁸ *Initiation of Antidumping Duty Investigations: Honey From Argentina and the People's Republic of China*, 65 FR 65831, November 2, 2000.

Manufacturing process⁴⁹

Honey is produced in a beehive by a colony of honeybees. A typical colony of commercial honeybees in the United States contains one queen, 500 to 1,000 drones (male bees without stingers whose single purpose is to mate with the queen), and approximately 40,000 to 60,000 workers (female bees that perform the work of the colony including cleaning the nursery, caring for larvae, collecting nectar, making wax, and guarding and cooling the hive). The beehive is a series of combs composed of hexagonal cells that are made from wax produced in the stomach of the worker bees. The wax cells are used for storage. The worker bees naturally construct a core nest where the brood⁵⁰ are stored and then create a layer of insulation above the nest consisting of pollen and honey.

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

U.S. beekeeper operations

Beekeepers maintain bee colonies and extract honey from them. Beekeepers are often migratory, moving their hives as needed to areas in need of bees’ pollination services or areas rich in certain flora to promote production of a distinct type of honey. In the United States, it has been estimated that approximately 66 percent of all colonies are on the road each year to pollinate crops and to produce honey and beeswax.⁵¹ The migration is generally from north in the summer to south in the winter, as well as to California during almond season and several other states for pollination of crops such as melons.⁵²

Beekeepers in the United States keep their bees in constructed wooden hives that are relatively easy to transport. Hives are often placed on wooden pallets for ease of handling by forklifts. Bees live in the core nest of beekeepers’ artificially constructed hives, and store the honey, intended to serve as food for the colony, in wooden frames known as “supers.” To prevent the queen from laying brood in the supers containing the honey, beekeepers place an

⁴⁹ Unless indicated otherwise the discussion in this section is based on information contained in *Honey from Argentina and China, Investigations Nos. 701-TA-402, 731-TA-892-893 (Review)*, USITC Publication 3929 (June 2007) and *Honey From China 731-TA-893 (second review)* USITC Publication 4364, November 2012, pp. I-16-18.

⁵⁰ The young honeybees are collectively called brood.

⁵¹ *Pollination Facts*, American Beekeeping Federation, June 14, 2016.

⁵² “America’s Beekeepers: Hives for Hire,” *National Geographic*, May 1993, p. 76.

“excluder” between the lower core nest and the supers above. Worker bees produce more honey than required for use by the colony, so the excess honey can be harvested without harming the colony.

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

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

U.S. packer operations

Virtually all U.S. packers of honey are either beekeeper-packers, which are keepers of bee colonies that extract honey from those colonies and then process or pack the honey, or independent packers that purchase honey and then process or pack that honey. A few packers are both beekeeper-packers and independent packers, but even these firms are predominantly one or the other. In addition, SHA is operated on a cooperative basis to process, pack, and market honey for its beekeeper members. Upon receipt of extracted honey, packers may blend different types of honey from both domestic and foreign sources.⁵³ The honey, usually in 55-

⁵³ Honey may also be stored for years under proper storage conditions (i.e., in a dry place at approximately 70° F, or alternatively at freezing temperatures). According to the USDA, honey stored for years at freezer temperatures, 0° to -10° F, cannot be distinguished from fresh, newly-extracted honey in color, flavor, or aroma. *Honey: Background for 1995 Farm Legislation*, ERS, USDA, April 1989, p. 12.

gallon drums⁵⁴ from the beekeepers, is labeled by the packers according to color and floral source, making blending selections or production of a monofloral honey possible.⁵⁵

Honey is normally heated to aid the flow of honey through the processing facility and retard granulation and spoilage, largely through the destruction of yeasts naturally present in honey.⁵⁶ Honey that has been heated is acceptable to most users in the United States, although in some other areas of the world, honey that has been heated is perceived to have lost some of its health and nutritional benefits. Some countries require certain levels of diastase and hydroxymethylfurfural (“HMF”) in imported honey, both of which are affected by heating.⁵⁷ “Flash heating,” whereby the honey is rapidly heated to 120 degrees or above and then quickly cooled, can produce honey with acceptable HMF and diastase levels for export to many countries, while maintaining its favorable processing characteristics.

Heated honey next flows through filtering mechanisms (filtering paper sheets in commercial processing plants), usually under high pressure, and into a “settling tank” in a warm area for several hours or even days, with any remaining foreign material floating to the top, where it can be skimmed.⁵⁸ Honey then can be poured directly into containers and sold to consumers or industrial users.

Creamed honey is another honey product that the packer may also process. This is honey in which the natural granulation has been encouraged and controlled for a smooth consistency similar to butter.⁵⁹ The honey is heated and filtered first, but once it cools, a “starter” seed consisting of creamed honey that has been finely ground to create extremely fine glucose crystals is blended into the honey to assure uniform crystallization. After blending, the mixture of seed and honey is allowed to set for a period during which air bubbles rise to the surface and are skimmed.⁶⁰

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

⁵⁴ One gallon of honey equals 11.84 pounds (*Weights, Measures, and Conversion Factors for Agricultural Commodities and Their Products*, USDA, ERS, Agricultural Handbook Number 697, p. 13.

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

⁵⁶ A large portion of U.S. honey must be heated due to the honey arriving in a crystallized state from the beekeeper.

⁵⁷ Diastase is an enzyme that destroys starch and HMF is a by-product of the decomposition of sugars in acid.

⁵⁸ Some operations reverse the process, and place honey in settling tanks before filtration.

⁵⁹ Although nearly all honey can be creamed, those honeys higher in glucose generally granulate the fastest.

⁶⁰ *The Hive and the Honey Bee*, Dadant & Sons, Inc., Hamilton, IL, 1992, p. 702.

U.S. tariff treatment

The subject honey is classifiable in the Harmonized Tariff Schedule of the United States (“HTS”) under heading 0409.00.00 (natural honey) and subheadings 1702.90.90 (a residual or “basket” category covering artificial honey as well as miscellaneous sugars) and 2106.90.98 (a “basket” category covering nonenumerated food preparations). Imports of honey under HTS subheading 0409.00.00 enter the United States at a column 1-general duty rate of 1.9 cents per kilogram, HTS subheading 1702.90.90 at 5.1 percent *ad valorem*, and HTS subheading 2106.90.98 at 6.4 percent *ad valorem*. Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

The definition of the domestic like product

The domestic like product is the domestically produced product or products, which are like, or in the absence of like, most similar in characteristics and uses with, the subject merchandise. In its original determination and its expedited first and second five-year review determinations concerning honey from China, the Commission found one domestic like product consisting of all honey, coextensive with Commerce’s scope definition.⁶¹

In its notice of institution for this review, the Commission solicited comments from interested parties regarding what they deemed to be the appropriate definition of the domestic like product. According to their response to the notice of institution, the domestic interested party agreed with the Commission’s definition of the domestic like product as stated in the last five-year review.⁶²

ACTIONS AT COMMERCE

Commerce has not conducted any changed circumstances reviews or critical circumstances reviews since the completion of the last five-year review. In addition, Commerce has not made any duty absorption findings or issued any company revocations since the imposition of the order.

Administrative and new shipper reviews

Since 2012, when the antidumping duty order was last continued, Commerce has completed four Administrative Reviews.⁶³ The results of the reviews are shown in table I-2.

⁶¹ *Honey from Argentina and China, Investigations Nos. 701-TA-402 and 731-TA-892-893 (Final)*, USITC Publication 3470, November 2001, p. 5; *Honey from Argentina and China Investigation Nos. 701-TA-402 and 731-TA-892-893 (Review)*, USITC Publication 3929, June 2007; p. 6. and *Honey from China, Investigation Nos. 731-TA-893 (Second Review)*, USITC Publication 4364 October 2012, p. 12.

⁶² Domestic interested party’s response to the Notice of Institution, December 1, 2017, p. 21.

⁶³ Commerce rescinded the review of the antidumping duty order on honey from China for the period of December 1, 2014 through November 30, 2015, *Honey From the People’s Republic of China: Rescission of Antidumping Duty Administrative Review, 2014-2015*, 81 FR 22049, April 14, 2016.

Table I-2

Honey: Administrative and new shipper reviews of the antidumping duty order on imports of honey from China since 2012

Date results published	Period of review	Producer or Exporter	Margin
August 6, 2012 77 FR 70417	12/1/2010- 11/30/2011	PRC-Wide Entity ¹	\$2.63/kg
June 28, 2013 78 FR 56860	12/1/2011- 11/30/2012	PRC-Wide Entity ²	\$2.63/kg
January 7, 2015 80 FR 27633	12/1/2012- 11/30/2013	PRC-Wide Entity ³	\$2.63/kg
July 7, 2017 82 FR 31557 ⁴	12/1/2015- 11/30/2016	PRC-Wide Entity ⁵	\$2.63/kg

¹ The PRC-wide entity includes Dongtai Peak Honey Industry Co., Ltd.

² The PRC-wide entity includes Ahcof Industrial Development Corp., Ltd., Alfred L. Wolff (Beijing) Co., Ltd., Anhui Changhao Import & Export Trading, Anhui Honghui Import & Export Trade Co., Ltd., Anhui Cereals Oils and Foodstuffs I/E (Group) Corporation, Anhui Hundred Health Foods Co., Ltd., Anhui Native Produce Imp & Exp Corp., Anhui Time Tech Co., Ltd., APM Global Logistics (Shanghai) Co., Baiste Trading Co., Ltd., Cheng Du Wai Yuan Bee Products Co., Ltd., Chengdu Stone Dynasty Art Stone, Damco China Limited Qingdao Branch, Dongtai Peak Honey Industry Co., Ltd., Eurasia Bee's Products Co., Ltd., Feidong Foreign Trade Co., Ltd., Fresh Honey Co., Ltd. (formerly Mgl. Yun Shen), Golden Tadco Int'l, Hangzhou Golden Harvest Health Industry Co., Ltd., Hangzhou Tienchu Miyuan Health Food Co., Ltd., Haoliluck Co., Ltd., Hengjide Healthy Products Co. Ltd., Hubei Yusun Co., Ltd., Inner Mongolia Altin Bee-Keeping, Inner Mongolia Youth Trade Development Co., Ltd., Jiangsu Cereals, Oils Foodstuffs Import Export (Group) Corp., Jiangsu Kanghong Natural Healthfoods Co., Ltd., Jiangsu Light Industry Products Imp & Exp (Group) Corp., Jilin Province Juhui Import, Maersk Logistics (China) Company Ltd., Nefelon Limited Company, Ningbo Shengye Electric Appliance, Ningbo Shunkang Health Food Co., Ltd., Ningxia Yuehai Trading Co., Ltd., Product Source Marketing Ltd., Qingdao Aolan Trade Co., Ltd., QHD Sanhai Honey Co., Ltd., Qinhuangdao Municipal Dafeng Industrial Co., Ltd., Renaissance India Mannite, Shaanxi Youthsun Co., Ltd., Shanghai Bloom International Trading Co., Ltd., Shanghai Foreign Trade Co., Ltd., Shanghai Hui Ai Mal Tose Co., Ltd., Shanghai Luyuan Import & Export, Shine Bal Co., Ltd., Sichuan-Dujiangyan Dubao Bee Industrial Co., Ltd., Sichuan Hasten Imp Exp. Trading Co., Ltd., Silverstream International Co., Ltd., Sunnice Honey, Suzhou Aiyi IE Trading Co., Ltd., Suzhou Shandong Honey Product Co. Ltd., Tianjin Weigeda Trading Co., Ltd., Wanxi Haohua Food Co., Ltd., Wuhan Shino-Food Trade Co., Ltd., Wuhu Anjie Food Co., Ltd., Wuhu Deli Foods Co. Ltd., Wuhu Fenglian Co., Ltd., Wuhu Haoyikuai I & E Co., Wuhu Haoyikuai Import & Export Co., Ltd., Wuhu Haoyikuai Food Products Co., Ltd., Wuhu Qinshi Tangye, Wuhu Qinshi Tangye Co., Ltd., Wuhu Xinrui Bee-Product Co., Ltd., Xinjiang Jinhui Food Co., Ltd., Youngster International Trading Co., Ltd., Zhejiang Willing Foreign Trading Co.

³ The PRC-wide entity includes: Kunshan Xinlong Food Co., Ltd., Fuzhou Shenglinmark Trade Co., Ltd., and Dongtai Peak Honey Industry Co., Ltd.

⁴ Preliminary Rescission of the New Shipper Review and Preliminary Results of the Administrative Review

⁵ The PRC-wide entity includes: Shanghai Sunbeauty Trading Co., Ltd.

Note.- On June 30, 2017, in accordance with Commerce's final redetermination sustained by the Court of International Trade(CIT) Commerce amended the Amended Final Results with respect to the dumping margin of Zhejiang. The revised weighted-average dumping margin for Zhejiang during the period May 11, 2001, to November 30, 2002, is 67.06 percent. *Honey From the People's Republic of China: Notice of Court Decision Not in Harmony With Final Results of Review and Notice of Amended Final Results of Review Pursuant to Court Decision*, 82 FR 29840, June 30, 2017.

Source: Cited *Federal Register* notices.

Scope rulings

On August 21, 2012,⁶⁴ in response to inquiry from the AHPA and SHA, Commerce ruled that blends of honey and rice syrup, regardless of the percentage of honey they contain, are later developed merchandise that are within the scope of the antidumping duty order.⁶⁵

Anti-circumvention findings

Effective August 21, 2012, Commerce made an affirmative final determination of circumvention of the antidumping duty order on honey from China.⁶⁶ In addition to Commerce, Congress has taken steps to prevent illegal Chinese honey transshipments from entering the United States.⁶⁷

Current five-year review

Commerce is conducting an expedited review with respect to honey from China and intends to issue its final results based on the facts available no later than February 28, 2018.⁶⁸

THE INDUSTRY IN THE UNITED STATES

U.S. beekeepers

The USDA divides honey production data between operations with five or more colonies and operations with less than five colonies. Beekeepers with less than five colonies are known as hobbyists. Hobbyists generally consume most of the honey they produce, give it to friends and family, or distribute the honey through local outlets. Part-time beekeepers sell the majority of their honey, but beekeeping is not generally their major source of income. They market their

⁶⁴ Commerce made its ruling on August 21, 2012. Commerce publishes scope rulings on a quarterly basis and notice of the ruling was published on the Federal Register on February 8, 2013.

⁶⁵ *Notice of Scope Rulings*, 78 FR 9370, February 8, 2013.

⁶⁶ Commerce found that blends of honey and rice syrup, regardless of the percentage of honey they contain, from China are later-developed merchandise, and instructed U.S. Customs and Border Protection to suspend liquidation of all entries of blends of honey and rice syrup, from China that were entered, or withdrawn from warehouse, for consumption on or after December 7, 2011. *Honey From the People's Republic of China: Affirmative Final Determination of Circumvention of the Antidumping Duty Order*, 77 FR 50464, August 21, 2012.

⁶⁷ Congress outlines measures to prevent honey transshipment into the United States and to ensure that imported honey meet certain health and safety standards *Trade Facilitation and Trade Enforcement Act of 2015*, Public Law 114-125, 114th Congress, sec. 608, February 24, 2016.

⁶⁸ *Letter from James Doyle, Director, AD/CVD Operations, Enforcement and Compliance, U.S. Department of Commerce to Michael G. Anderson*, December 20, 2017.

honey either through direct sales to consumers or retail outlets, or through bulk sales to honey processors. Full-time beekeepers are those that rely on sales of honey as their primary source of income. Full-time beekeepers also provide pollination services to supplement their incomes and to gain access to other sources of nectar for honey production. In addition, some full-time beekeepers specialize in the production of queen bees and packaged bees and may even focus on the production of beeswax to further augment their income.⁶⁹ In 2016, operations with five or more colonies produced over 99 percent of honey in the United States.⁷⁰ However, the USDA estimates that 44 percent of apiary workers toiled on farms with less than five colonies.⁷¹ This proportion includes unpaid workers and hobbyists. The Commission reported in the original investigation that most of the honey extracted in the United States is done by commercial beekeepers, even though the commercial beekeeper population comprised only about 1 percent of the total beekeeping population.⁷² Hobbyists comprised about 90-95 percent of the beekeeping population, and part-time beekeepers the remainder.⁷³

During the final phase of the original investigation, 119 beekeepers responded to the Commission's questionnaire with usable data, which accounted for approximately 24 percent of production of raw honey in the United States during 2000.⁷⁴ During the expedited first five-year review, the domestic interested party identified over 650 domestic producers of honey, many of which were characterized as small beekeepers or hobbyists.⁷⁵ During the expedited second five-year review, the domestic interested party identified over 800 current domestic producers of honey, 650 of which were members of the AHPA or SHA.⁷⁶

The USDA reported during 2016, there were 2.78 million commercial bee colonies that produced 162 million pounds of honey in the United States.⁷⁷ In response to the Commission's notice of institution in this current review, domestic interested party provided a list of 716 known and currently operating U.S. producers of honey.⁷⁸

⁶⁹ Canada, Carol and Jasper Womach, CRS Report for Congress, *Farm Commodity Programs: Honey*, October 4, 2006, p. CRS-3.

⁷⁰ *Honey*, NASS, USDA, Agriculture Statistics Board, March 22, 2017.

⁷¹ *Ibid.*

⁷² Hoff, F., *Honey: Background for 1995 Farm Legislation*, ERS, USDA, April 1995, p. 2.

⁷³ *Ibid.*

⁷⁴ *Honey from Argentina and China, Investigations Nos. 701-TA-402 and 731-TA-892-893 (Final)*, USITC Publication 3470, November 2001, p. I-3.

⁷⁵ *Honey from Argentina and China, Investigations Nos. 701-TA-402 and 731-TA-892-893 (Review)*, USITC Publication 3929, June 2007, p. I-26.

⁷⁶ *Honey from China, Investigation No. 731-TA-893 (Second Review)*, USITC Publication 4364, October 2012, p. 17.

⁷⁷ *Honey*, NASS, USDA, Agriculture Statistics Board, March 22, 2017.

⁷⁸ Domestic interested party's response to the Notice of Institution, December 1, 2017, p. 18.

U.S. packers

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

The Commission reported in the original investigation that, during 2000, there were approximately 350 beekeeper-packers and 110 independent packers in the United States accounting for *** and *** percent of the U.S. packing of honey in 1999, respectively. The largest 10 packers accounted for about *** of all domestically packed honey in 2000, with SHA accounting for *** percent.⁷⁹

Definition of the domestic industry and related party issues

The domestic industry is the collection of U.S. producers, as a whole, of the domestic like product, or those producers whose collective output of the domestic like product constitutes a major proportion of the total domestic production of the product. In its original determination and its expedited first and second five-year review determinations the Commission found the relevant domestic industry to consist of U.S. producers of both raw and processed honey, including beekeepers that produce raw honey and packers that process and pack the honey.⁸⁰

Under the related parties provision, the Commission may exclude a related party for purposes of its injury determination if “appropriate circumstances” exist.⁸¹ In its original determinations, the Commission excluded two domestic packers and one domestic beekeeper/packer from the domestic industry pursuant to the related parties provision.⁸² In the first five-year review, the Commission did not exclude any producers from the domestic industry because it lacked current company-specific data with respect to individual honey producers and was unable to resolve whether any domestic producers are related parties.⁸³ In the second five-year review as well as this current five-year review the domestic interested party indicated that none of the individual members of the AHPA and the SHA are importers of

⁷⁹ *Investigations Nos. 701-TA-402 (Final) and 731-TA-892-893 (Final): Honey from Argentina and China—Staff Report, INV-Y-220*, October 24, 2001, pp. III-2-III-3.

⁸⁰ *Investigation Nos. 731-TA-893 (Second Review): Honey from China*, USITC Publication 4364, October 2012, pp. 5-6.

⁸¹ Section 771(4)(B) of the Tariff Act of 1930, 19 U.S.C. § 1677(4)(B).

⁸² *Honey from Argentina and China, Investigations Nos. 701-TA-402 and 731-TA-892-893 (Final)*, USITC Publication 3470, November 2001, pp. 5 and 11.

⁸³ *Honey from Argentina and China, Investigations Nos. 701-TA-402 and 731-TA-892-893(Review)*, USITC Publication 3929, June 2007, p. 7.

the subject merchandise and none are related to a foreign producer, exporter, or importer of the subject merchandise.^{84 85}

In its notice of institution for this review, the Commission solicited comments from interested parties regarding the appropriate definition of the domestic industry and inquired as to whether any related parties issues existed. The domestic interested party did not cite any potential related parties issues and agreed with the Commission's prior definition of the domestic industry.⁸⁶

U.S. producers' trade and financial data

Domestic production of honey varies widely among regions and from year to year depending on rainfall, soil conditions, temperature, cropping patterns, management, and various other factors. Cold and rainy weather can prevent bees from collecting nectar, which reduces honey production. Rain, drought, or freezing temperatures can also cut honey production by damaging nectar sources.⁸⁷

The Commission asked domestic interested parties to provide trade and financial data in their response to the notice of institution for the current five-year review. The two associations that responded to the Commission's notice of institution, AHPA and SHA, are estimated to represent *** percent of U.S. honey production in 2016.⁸⁸ Table I-3 presents a compilation of data submitted from responding U.S. producers as well as trade and financial data submitted by U.S. producers in the original investigation and subsequent five-year reviews. The domestic interested parties note that production has fluctuated significantly during 2012-2016 due to unfavorable climate conditions beyond the control of domestic producers including droughts and colony collapse disorder.⁸⁹

⁸⁴ Domestic interested party's response to the Notice of Institution, August 1, 2012, p. 3.

⁸⁵ Domestic interested party's response to the Notice of Institution, December 1, 2017, p. 19.

⁸⁶ Domestic interested party's response to the Notice of Institution, December 1, 2017, pp. 19 and 21.

⁸⁷ *The U.S. Beekeeping Industry*, ERS, USDA, May 1994, p. 3.

⁸⁸ The AHPA represents *** percent of total U.S. production of honey in 2016, and the SHA represents *** percent.

⁸⁹ Domestic interested party's response to the Notice of Institution, December 1, 2017, p. 20.

Table I-3**Honey: Trade and financial data submitted by U.S. producers, 2000, 2005, 2011, and 2016**

Item	2000	2005	2011	2016
U.S. beekeepers':				
Colonies (1,000)	2,634	2,410	2,491	2,775 ⁴
Production:				
Quantity (1,000 pounds)	221,005	174,643	148,357	161,882 ⁴
Value (\$1,000)	132,205	157,795	256,509	335,905 ⁴
Unit value (\$/pound)	0.59	0.90	1.73	2.07
Yield per colony (pounds)	83.9	72.5	59.6	58.3
Ending stocks (1,000 pounds)	86,158	62,406	36,761	41,253
EOP ¹ stocks/production (percent)	39.0	35.7	24.8	25.5
U.S. independent packers:				
U.S. shipments:				
Quantity (1,000 pounds)	***	(2)	*** ³	*** ³
Value (\$1,000)	***	(2)	*** ³	*** ³
Unit value (\$/pound)	***	(2)	*** ³	*** ³
Total beekeeping revenue (\$1,000)	(2)	(2)	*** ³	*** ³
Beekeeping/operating expenses (\$1,000)	(2)	(2)	*** ³	*** ³
Net income(loss) before taxes (\$1,000)	(2)	(2)	*** ³	*** ³

¹ End of period.² Not available.³ Data presented are for AHPA and SHA members, whose production accounted for *** percent of the domestic industry's production in 2011 and *** percent of the domestic industry's production in 2016. The domestic interested party has adjusted production figures for SHA to avoid double counting of production by companies that are members of both AHPA and SHA.⁴ Source: NASS, USDA, Agriculture Statistics Board, "Honey," March 22, 2017.

Source: NASS, USDA, Agriculture Statistics Board, "Honey," February 28, 2001, February 28, 2006, March 30, 2012, and March 22, 2017; Domestic Interested Party's response to the Notice of Institution, December 1, 2017, exh. 15 and Domestic Interested Party's response to the Notice of Institution cure letter, December 18, 2017, attachment 2.

U.S. IMPORTS AND APPARENT CONSUMPTION

U.S. importers

During the final phase of the original investigation, the Commission received U.S. importer questionnaires from 18 U.S. importers of honey, which accounted for approximately 84.0 percent of total U.S. imports of honey from China during 2000.⁹⁰ In the expedited first five-year review of the order, the domestic interested parties identified over 100 U.S. importers of honey from both Argentina and China.⁹¹ During the expedited second five-year review, the domestic interested party identified 54 U.S. importers of honey from China.⁹²

Although the Commission did not receive responses from any respondent interested parties in this current review, in its response to the Commission's notice of institution, the domestic interested parties provided a list of 120 potential U.S. importers of honey.^{93 94}

U.S. imports⁹⁵

Table I-4 presents the quantity, value, and unit value for imports from China. From 2012 to 2016, China has not been a significant exporter of honey into the United States. Nonetheless, Chinese honey producers continue to export honey to the United States through various circumvention schemes such as the new shipper bond scheme, the undervaluation of entries, third country circumvention, and mislabeling honey as other sugar products. The domestic interested party notes that Chinese exporters of honey produced in China have falsely labeled their honey as being produced in other Asian countries, or mislabeled the honey as other sugar compounds to avoid anti-dumping duties.⁹⁶ It is estimated that in 2015 that about one-third of

⁹⁰ *Honey from Argentina and China, Inv. Nos. 701-TA-402 and 731-TA-892-893 (Final)*, USITC Publication 3470, November 2001, p. 11.

⁹¹ *Honey from Argentina and China, Inv. Nos. 701-TA-402 and 731-TA-892-893 (Review)*, USITC Publication 3929, June 2007, p. I-34.

⁹² *Honey from China, Investigation Nos. 731-TA-893 (Second Review)*, USITC Publication 4364, October 2012, p. I-20.

⁹³ Domestic interested party's response to the Notice of Institution, December 1, 2017, p. 19.

⁹⁴ The list of possible U.S. importers submitted by domestic interested party likely overstates the actual number of U.S. importers of honey because it includes numerous freight forwarding and logistics firms as well as a number of duplicate entities. Domestic interested party's response to the Notice of Institution, December 1, 2017, exh. 13.

⁹⁵ Consistent with past Commission practice regarding honey and because imports of artificial honey and preparations of natural honey are believed to be minimal and also comprise only a very small portion of the products entering under HTS subheadings 1702.90.90 and 2106.90.98, the import data presented in this report are from HTS subheading 0409.00.00.

⁹⁶ Domestic interested party's response to the Notice of Institution, December 1, 2017, pp. 11-12, exh. 9.

the American honey supply has been smuggled in from China.⁹⁷ As a result of the Trade Facilitation and Enforcement Act of 2015, Immigration and Customs Enforcement and Customs and Border Protection are increasing collaboration against illegally imported honey entering the United States.

Table I-4
Honey: U.S. imports, by source, 2012-16

Source	2012	2013	2014	2015	2016
Quantity (1,000 pounds)					
China (subject)	41	131	0	216	326
Vietnam	45,636	74,044	103,853	81,512	84,908
Argentina	93,658	97,491	81,324	59,702	76,519
India	47,298	57,027	44,732	79,638	64,737
All other nonsubject sources	124,255	108,839	135,567	165,276	140,528
Total, nonsubject	310,846	337,400	365,475	386,128	366,692
Total imports	310,887	337,532	365,475	386,344	367,018
Landed, duty-paid (\$1,000)					
China (subject)	60	187	0	249	345
Vietnam	53,908	88,054	130,239	106,251	69,860
Argentina	128,784	152,849	151,488	104,706	75,269
India	60,027	73,906	64,869	118,940	62,578
All other nonsubject sources	189,418	186,507	238,206	278,037	217,280
Total, nonsubject	432,137	501,317	584,802	607,933	424,986
Total imports	432,198	501,505	584,802	608,182	425,332
Unit value (\$/per pound)					
China (subject)	1.46	1.43	0.00	1.16	1.06
Vietnam	1.18	1.19	1.25	1.30	0.82
Argentina	1.38	1.57	1.86	1.75	0.98
India	1.27	1.30	1.45	1.49	0.97
All other nonsubject sources	1.52	1.71	1.76	1.68	1.55
Total, nonsubject	1.39	1.49	1.60	1.57	1.16
Total imports	1.39	1.49	1.60	1.57	1.16

Source: Compiled from Official Commerce statistics. Consistent with past Commission practice regarding honey and because imports of artificial honey and preparations of natural honey are believed to be minimal and also comprise only a very small portion of the products entering under HTS subheadings 1702.90.90 and 2106.90.98, the import data presented in this report are from HTS subheading 0409.00.00 and consist of virtually all, if not all, imports of honey.

⁹⁷ *Chinese Honey: Banned in Europe, Is Flooding U.S. Grocery Shelves. Here's How To Know The Difference*, Healthy Food House, July 30, 2015.

Apparent U.S. consumption and market shares

Table I-5 presents data on U.S. producers' U.S. shipments, U.S. imports, and apparent U.S. consumption, while table I-6 presents data on U.S. market shares and U.S. apparent consumption.

Table I-5

Honey: U.S. producers' U.S. shipments, U.S. imports, and apparent U.S. consumption, 2000, 2005, 2011, and 2016

Item	2000	2005	2011	2016
	Quantity (1,000 pounds)			
U.S. beekeepers' production	221,005	174,643	148,357	161,882
U.S. imports from—				
China	58,716	64,740	3,374	326
All other	139,441	167,942	284,914	366,692
Total imports	198,157	232,682	288,289	367,018
Apparent U.S. consumption	419,162	407,325	436,646	528,900
	Value (1,000 dollars)			
U.S. beekeepers' production	132,205	157,795	256,509	335,905
U.S. imports from—				
China	25,528	26,349	5,181	345
All other	71,979	113,958	398,996	424,986
Total imports	97,507	140,307	404,177	425,332
Apparent U.S. consumption	229,712	298,102	660,686	761,237

Source: For the years 2000, 2005, 2011 data are compiled using data submitted in the Commission's first five-year review and second five-year review. See app. C. For the year 2016, U.S. producers' U.S. shipments are compiled from the domestic interested party's response to the Commission's Notice of Institution, December 1, 2017, exh. 1; NASS, USDA, Agriculture Statistics Board, "Honey," March 22, 2017; and U.S. imports are compiled using official Commerce statistics under HTS subheading 0409.00.00.

Table I-6**Honey: Apparent U.S. consumption and U.S. market shares, 2000, 2005, 2011 and 2016**

Item	2000	2005	2011	2016
	Quantity (1,000 pounds)			
Apparent U.S. consumption	419,162	407,325	436,646	528,900
	Value (1,000 dollars)			
Apparent U.S. consumption	229,712	298,102	660,686	761,237
	Share of consumption based on quantity (percent)			
U.S. beekeepers' production	52.7	42.9	34.0	30.6
U.S. imports from--				
China	14.0	15.9	0.8	0.06
All other sources	33.3	41.3	65.3	69.3
Total imports	47.3	57.2	66	69.4
	Share of consumption based on value (percent)			
U.S. Beekeepers' production	57.6	52.9	38.8	44.1
U.S. imports from--				
China	11.1	8.8	0.8	0.05
All other sources	31.3	38.2	60.4	55.8
Total imports	42.4	47.0	61.2	55.9

Source: For the years 2000, 2005, 2011 data are compiled using data submitted in the Commission's first five-year review and second five-year review. See app. C. For the year 2016, U.S. producers' U.S. shipments are compiled from the domestic interested parties' response to the Commission's Notice of Institution, December 1, 2017 exh. 1; NASS, USDA, Agriculture Statistics Board, "Honey," March 22, 2017; and U.S. imports are compiled using official Commerce statistics under HTS subheading 0409.00.00.

THE INDUSTRY IN CHINA

Since the original investigation, China has been the world's largest producer of honey. During the original investigation, the Commission received questionnaire responses from 13 Chinese exporting firms, which accounted for 68.0 percent of total U.S. imports of honey from China during 2000.⁹⁸

Although the Commission did not receive responses from any respondent interested parties in its first five-year review,⁹⁹ the domestic interested parties provided a list of 95 producers and/or exporters of honey in China.^{100 101} Data presented in appendix C presents trade data for the Chinese honey industry during 1998-2005. Data shows production levels of Chinese honey grew from 438.6 million pounds in 2000 to 657.0 million pounds in 2005. In

⁹⁸ *Honey from Argentina and China, Inv. Nos. 701-TA-402 and 731-TA-892-893 (Final)*, USITC Publication 3470, November 2001, p. VII-4.

⁹⁹ *Honey from Argentina and China, Investigations Nos. 701-TA-402 and 731-TA-892-893 (Review)*, USITC Publication 3929, June 2007, p. I-1 n. 5.

¹⁰⁰ *Honey from Argentina and China, Investigations Nos. 701-TA-402 and 731-TA-892-893 (Review)*, USITC Publication 3929, June 2007, p. I-64.

¹⁰¹ There are likely tens of thousands of beekeepers in the Chinese industry. China's honey bee losses are low compared with West, *Science Daily*, August 24, 2017.

addition, the Commission did not receive responses from any respondent interested parties in its second five-year review.¹⁰² Data presented in appendix C show that honey production in China has continued to increase from 744.2 million pounds in 2006 to an estimated 877.4 million pounds in 2010.¹⁰³

No foreign producers responded to the notice of institution for this current review. Table I-7 presents trade data for the Chinese honey industry during 2012-2016. Data for the honey industry in China for 1998-2011 is presented in appendix C.

Table I-7
Honey: Data on the industry in China, 2012-16

Item	Calendar year				
	2012	2013	2014	2015	2016
Quantity (1,000 pounds)					
Production	1,018,983	1,019,775	1,044,109	(¹)	(¹)
Domestic consumption	745,162	745,162	746,044	771,618	(¹)
Exports to:					
United States	2	49	0	4	14
All other markets	242,856	275,310	286,214	319,129	282,904
Total exports	242,858	275,359	286,213	319,132	282,918
Ratios to production (percent)					
Domestic consumption	73.1	73.1	71.4	(¹)	(¹)
Exports to:					
United States	(²)	(²)	0.0	(¹)	(¹)
All other Markets	23.8	27.0	27.4	(¹)	(¹)
Total exports	23.8	27.0	27.4	(¹)	(¹)

¹ Data not available

² Less than 0.05 percent

Note: Figures have been converted from tons to pounds

Sources: FAOSTAT, <http://www.fao.org>, and Global Trade Atlas, HTS 0409.00 ("Honey, Natural"). World Honey Bee Show, <http://www.chinaagtradefair.com/chinesehonemarket.html>.

¹⁰² *Honey from China, Investigation Nos. 731-TA-893 (Second Review)*, USITC Publication 4364, October 2012, p. I-3 n.6.

¹⁰³ *Honey from China, Inv. Nos. 731-TA-893 (Second Review)*, USITC Publication 3929, October 31, 2012, p. I-33.

Table I-8 presents export data for honey from China for 2012-2016. For all the years presented Japan was the largest export destination for Chinese honey, receiving 26.5 percent of exports on average. However, China exports the majority of its honey to the EU: 58.0 percent on average during 2012-2016.¹⁰⁴ The domestic interested party notes that China has the ability to rapidly increase its honey exports based on market conditions.¹⁰⁵ The domestic interested party attributes increases in Chinese exports of honey to government policies promoting the production of export agriculture products.¹⁰⁶

Table I-8
Honey: Exports of honey from China, by destination, 2012-16

Market	2012	2013	2014	2015	2016
Value (\$1,000 dollars)					
Japan	62,776	70,333	58,762	56,440	93,882
United Kingdom	31,055	38,378	37,454	47,435	52,406
Belgium	34,082	40,556	47,470	47,463	27,533
Australia	2,184	1,867	9,550	11,869	13,533
Netherlands	9,072	8,662	8,008	11,195	9,461
Poland	7,157	12,302	7,323	9,415	9,304
Spain	12,510	19,171	19,432	22,433	8,899
Germany	9,352	11,898	16,321	12,987	8,317
South Africa	4,364	3,079	4,215	5,440	5,941
Portugal	7,742	4,298	2,998	7,613	6,192

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

Source: Global Trade Atlas, HTS subheading 0409.00.

Recent Developments in the Chinese Industry

Since the Commission's last five-year review, the following developments have occurred in China's honey industry:

- As of 2015 Chinese consumption of raw honey was reportedly growing between 5 to 10 percent annually.¹⁰⁷
- Evidence indicates that Chinese beekeepers have lower levels of hive losses due to CCD than those in the United States and Europe. China is estimated to have lost 10 percent of its hives during 2010 and 2013.¹⁰⁸

¹⁰⁴ IHS Marketkit, Global Trade Atlas,(accessed December 19, 2017).

¹⁰⁵ Domestic interested party's response to the Notice of Institution, December 1, 2017, p. 10.

¹⁰⁶ Domestic interested party's response to the Notice of Institution, December 1, 2017, p. 15.

¹⁰⁷ Zheng, H and Hu, "Beekeeping Industry In China," *Bee World* April 2015,
<https://www.researchgate.net/publication/277616844>.

¹⁰⁸ *Science News*, "China's honey bee losses are low compared with West" August 24, 2016.
<https://www.sciencedaily.com/releases/2016/08/160824084647.htm>

- Adulteration of honey continues to be a problem in the Chinese industry. Honey can be adulterated a number of ways including being diluted with other syrups such as corn or cane syrup, through the supplemental feeding of bees with sugar, and/or with antibiotic or chemical residual (after when such products have been applied to hives to try to maintain bee health).¹⁰⁹
- Reportedly, the General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China (“AQSIQ”) is trying to control the quality of honey exported to the European Union to limit market losses.¹¹⁰ This is in part a reaction to European grocery stores increasing testing for adulterated honey.

ANTIDUMPING OR COUNTERVAILING DUTY ORDERS IN THIRD-COUNTRY MARKETS

Based on available information, there are no outstanding antidumping and/or countervailing duty measures against honey produced in China in countries other than the United States.¹¹¹ However, Chinese honey faces additional criteria for entry into certain other major honey markets largely based on phytosanitary concerns. The EU and Canada require honey imports to undergo a number of laboratory tests for certain antibiotics and other undesirable chemicals, including heromethyl furfural (“HMF”), phenol, than are used by the United States. Legislation of the EU only permits honey to be imported from countries that have an “established systems for residue monitoring and can effectively prevent honey exports which are not in compliance with EU requirements” including prohibited residues such as chloramphenicol, and maximum levels for residues including antibiotics and pesticides.¹¹² The domestic interested party states that the United States has no, or lower, standards for these contaminants.¹¹³ In addition, the EU requires labeling for honey containing more than 0.9 percent engineered (GE) organisms (commonly referred to as genetically modified organisms or “GMOs”), which can be introduced into honey from pollen of GE organisms.¹¹⁴

¹⁰⁹ Zheng, H and Hu, “Beekeeping Industry In China,” *Bee World* April 2015, <https://www.researchgate.net/publication/277616844>; Whitworth, “JCR Finds 14% of Honey Samples to Be Adulterated,” *FoodQualityNews.com* April 11, 2017. <https://www.foodqualitynews.com/Article/2017/04/12/Prevalence-of-adulterated-and-mislabelled-honey-revealed>; STraer, Everstine, and Kennedy, “Economically Motivated Adulteration of Honey: Quality Control Vulnerabilities in the International Honey Market,” *Food Protection Trends* January/February 2014. www.foodprotection.org/files/food-protection-trends/Jan-Feb-14-everstine.pdf

¹¹⁰ Tamma, “Honeygate: How Europe Is Being Flooded With Fake Honey,” *Bee Culture*, September 11, 2017. <http://www.bee-culture.com/catch-buzz-honeygate-europe-flooded-fake-honey/>

¹¹¹ Domestic interested party’s response to the Notice of Institution, December 1, 2017 pp. 12-13;

¹¹² *What requirements should your product comply with to be allowed on European markets?*, Ministry of Foreign Affairs: Center for the Promotion of Imports, September 20, 2016.

¹¹³ Domestic interested party’s response to the Notice of Institution, August 1, 2012, pp. 35-36.

¹¹⁴ Directive 2014/63/EU of the European Parliament and of the Council of 15 May 2014 amending Council Directive 2001/110/EC relating to honey <http://eur-lex.europa.eu/legal->

(continued...)

THE GLOBAL MARKET

Table I-9 presents data on world exports of honey from 2012-2016, and table I-10 presents data world imports of honey from 2012-2016. China was the world's largest exporter of honey in each year of the review period, with the exception of 2012 when Argentina was the largest exporter.

China's share of global exports grew slightly from about 12.0 percent during 2012–14 to 14.3 percent in 2016. The value of exports from New Zealand nearly doubled between 2012 and 2016 and it overtook Argentina as the second largest exporter of honey in 2015. This growth was driven by the increased value of manuka honey, a high quality product whose export AUV also rose through the period and by 2016 were \$58.1 a pound, double the rate in 2012.¹¹⁵ Export volumes also rose in many years. The government of New Zealand created a primary growth partnership with the domestic industry in 2010 to promote increased Manuka honey production.¹¹⁶ Argentina exports of honey fell for most of the period and only accounted for 8.3 percent of global exports during 2014–16, down from 12.5 percent in 2012 driven by lower export volumes for most the period and, in 2016, by low prices.

Table I-10 presents data on world imports of honey. The EU accounted for half of all honey imports globally in each year of the review period. The United States, which accounted for about one-quarter of global imports, through the review period was consistently the world's single-country largest importer of honey.

(...continued)

content/EN/TXT/?uri=celex:32014L0063 ; CropGen.org, "Honey Containing GM-pollen in Europe," http://www.cropgen.org/article_513.html (accessed December 20, 2017); European Parliament, "Parliament Clarifies Labelling Rules for Honey if Contaminated by GM Pollen," Press Release January 15, 2014 <http://www.europarl.europa.eu/news/en/press-room/20140110IPR32407/parliament-clarifies-labelling-rules-for-honey-if-contaminated-by-gm-pollen>.

¹¹⁵ Argentina's AUVs ranged from a low on \$2.08/kg to a high of \$3.75/kg and China's auvs stayed within 16 cents of \$2/kg though out he period. NZHerald.com, "NZ honey exports double on manuka demand," January 6, 2016. http://www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=11569991; IHS Marketkit, Global Trade Atlas,(accessed December 20, 2017).

¹¹⁶ NZHerald.com, "NZ honey exports double on manuka demand," January 6, 2016; Ministry for Primary Industries, "High-performance mānuka plantations," October 13, 2017 update (accessed December 20, 2017). <https://www.mpi.govt.nz/funding-and-programmes/primary-growth-partnership/primary-growth-partnership-programmes/high-performance-manuka-plantations/>.

Table I-9
Honey: Global exports, 2012-16

Market	2012	2013	2014	2015	2016
Value (1,000 dollars)					
China	215,051	246,550	260,303	288,659	276,556
New Zealand	103,871	139,621	167,932	198,031	205,747
Argentina	215,081	211,346	204,083	163,603	168,868
Germany	121,339	130,977	140,865	132,437	136,862
Spain	82,316	95,182	122,854	103,341	110,667
Ukraine	31,113	52,972	93,198	83,982	97,366
Mexico	101,497	112,352	147,037	155,986	93,725
Brazil	52,348	54,124	98,576	81,720	92,030
Belgium	54,222	66,552	75,329	84,284	72,231
India	60,988	77,771	78,444	124,246	70,898
Hungary	63,662	85,618	88,051	74,939	68,808
Canada	73,878	59,243	45,823	52,281	54,535
Romania	44,804	54,599	53,866	46,039	41,455
All other	407,358	505,063	528,896	552,428	434,754
Total	1,627,532	1,891,970	2,105,311	2,141,985	1,924,506

Note.--Because of rounding, figures may not add to total shown.

Source: Global Trade Information Services, Inc., Global Trade Atlas, HTS subheading 0409 ("Honey, Natural").

Table I-10
Honey: Global imports by major sources, 2012-16

Market	2012	2013	2014	2015	2016
Value (1,000 dollars)					
United States	416,003	481,081	561,631	583,710	406,280
Germany	281,783	325,438	320,643	332,404	279,096
Japan	105,331	115,919	120,097	117,557	157,885
France	93,725	113,509	153,290	128,726	126,619
United Kingdom	111,940	126,617	133,396	131,967	121,113
Belgium	55,828	63,423	77,605	90,466	73,730
China	26,240	42,869	58,589	74,722	72,811
Italy	56,095	75,428	90,603	84,724	72,299
Spain	48,416	53,644	61,398	73,284	65,689
Poland	35,070	48,202	55,809	48,942	50,223
All other	371,922	418,669	482,345	501,210	463,762
Total	1,602,352	1,864,789	2,115,405	2,167,716	1,889,507

Note.--Because of rounding, figures may not add to total shown.

Source: Global Trade Information Services, Inc., Global Trade Atlas, HTS subheading 0409 ("Honey, Natural")

APPENDIX A

FEDERAL REGISTER NOTICES

The Commission makes available notices relevant to its investigations and reviews on its website, www.usitc.gov. In addition, the following tabulation presents, in chronological order, *Federal Register* notices issued by the Commission and Commerce during the current proceeding.

Citation	Title	Link
82 FR 50683 November 1, 2017	<i>Honey From China; Institution of a Five-Year Review</i>	https://www.gpo.gov/fdsys/pkg/FR-2017-11-01/pdf/2017-23655.pdf
82 FR 50612 November 1, 2017	<i>Initiation of Five-Year (Sunset) Reviews</i>	https://www.gpo.gov/fdsys/pkg/FR-2017-11-01/pdf/2017-23763.pdf

APPENDIX B
COMPANY-SPECIFIC DATA

RESPONSE CHECKLIST FOR U.S. PRODUCERS

* * * * *

APPENDIX C

SUMMARY DATA COMPILED IN PRIOR INVESTIGATIONS

Table I-13

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

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

Table continued on following page.

Table I-13--Continued

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

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

Table continued on following page.

Table I-13--Continued

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

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

Table continued on following page.

Table I-13--Continued

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

Item	1998	1999	2000	Jan.-June		2001	2002	2003	2004	2005
				2000	2001					
U.S. independent packers' (excluding SHA):	***	***	***	***	***	(²)				
Net sales:										
Quantity (1,000 pounds)										
Value (\$1,000)	***	***	***	***	***	(²)				
COGS ³ (\$1,000)	***	***	***	***	***	(²)				
Gross profit (or loss)(\$1,000)	***	***	***	***	***	(²)				
SG&A expenses (\$1,000)	***	***	***	***	***	(²)				
Operating income (\$1,000)	***	***	***	***	***	(²)				
Capital expenditures (\$1,000)	***	***	***	***	***	(²)				
COGS ³ /sales (percent)	***	***	***	***	***	(²)				
Operating income (loss)/sales (percent)	***	***	***	***	***	(²)				

Table continued on following page.

Table I-13--Continued

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

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

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

² Not available.

³ End of period.

⁴ Production and related workers.

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

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

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

⁸ Cost of goods sold.

⁹ SHA's commercial shipments of packed honey.

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

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

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

Table I-17

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

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

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

Table I-20

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

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

APPENDIX D

PURCHASER QUESTIONNAIRE RESPONSE

As part of their response to the notice of institution, interested parties were asked to provide a list of three to five leading purchasers in the U.S. market for the domestic like product. A response was received from a domestic interested party and it named the following three firms as the top purchasers of honey: ***. Purchaser questionnaires were sent to these three firms and two firms (***) provided responses. Their responses are presented below.

1. a.) Have any changes occurred in technology; production methods; or development efforts to produce honey that affected the availability of honey in the U.S. market or in the market for honey in China since 2014?

- b.) Do you anticipate any changes in technology; production methods; or development efforts to produce honey that will affect the availability of honey in the U.S. market or in the market for honey in China within a reasonably foreseeable time?

Purchaser	Changes that have occurred	Anticipated changes
***	***	***
***	***	***

2. a.) Have any changes occurred in the ability to increase production of honey (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production) that affected the availability of honey in the U.S. market or in the market for honey in China since 2014?

b.) Do you anticipate any changes in the ability to increase production (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production) that will affect the availability of honey in the U.S. market or in the market for honey in China within a reasonably foreseeable time?

Purchaser	Changes that have occurred	Anticipated changes
***	***	***
***	***	***

3. a.) Have any changes occurred in factors related to the ability to shift supply of honey among different national markets (including barriers to importation in foreign markets or changes in market demand abroad) that affected the availability of honey in the U.S. market or in the market for honey in China since 2014?

b.) Do you anticipate any changes in factors related to the ability to shift supply among different national markets (including barriers to importation in foreign markets or changes in market demand abroad) that will affect the availability of honey in the U.S. market or in the market for honey in China within a reasonably foreseeable time?

Purchaser	Changes that have occurred	Anticipated changes
***	***	***
***	***	***

4. a.) Have there been any changes in the end uses and applications of honey in the U.S. market or in the market for honey in China since 2014?

b.) Do you anticipate any changes in the end uses and applications of honey in the U.S. market or in the market for honey in China within a reasonably foreseeable time?

Purchaser	Changes that have occurred	Anticipated changes
***	***	***
***	***	***

5. a.) Have there been any changes in the existence and availability of substitute products for honey in the U.S. market or in the market for honey in China since 2014?

b.) Do you anticipate any changes in the existence and availability of substitute products for honey in the U.S. market or in the market for honey in China within a reasonably foreseeable time?

Purchaser	Changes that have occurred	Anticipated changes
***	***	***
***	***	***

6. a.) Have there been any changes in the level of competition between honey produced in the United States, honey produced in China, and such merchandise from other countries in the U.S. market or in the market for honey in China since 2014?

b.) Do you anticipate any changes in the level of competition between honey produced in the United States, honey produced in China, and such merchandise from other countries in the U.S. market or in the market for honey in China within a reasonably foreseeable time?

Purchaser	Changes that have occurred	Anticipated changes
***	***	***
***	***	***

7. a.) Have there been any changes in the business cycle for honey in the U.S. market or in the market for honey in China since 2014?

b.) Do you anticipate any changes in the business cycle for honey in the U.S. market or in the market for honey in China within a reasonably foreseeable time?

Purchaser	Changes that have occurred	Anticipated changes
***	***	***
***	***	***

