

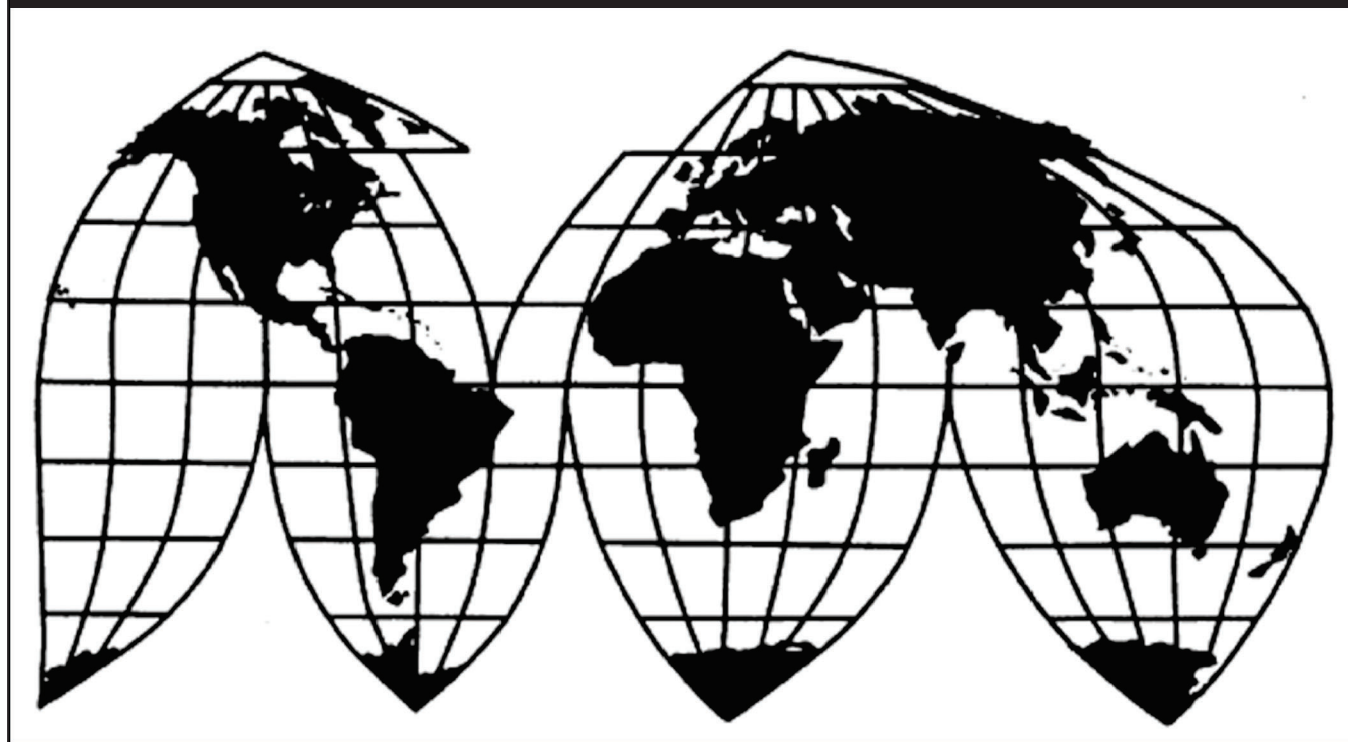
Certain Frozen Fish Fillets from Vietnam

Investigation No. 731-TA-1012 (Third Review)

Publication 5135

November 2020

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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Note.—Information that would reveal confidential operations of individual concerns may not be published.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

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation No. 731-TA- 1012 (Third Review)

Certain Frozen Fish Fillets from Vietnam

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 certain frozen fish fillets from Vietnam would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

BACKGROUND

The Commission instituted this review on October 1, 2019 (84 FR 52122) and determined on January 6, 2020 that it would conduct a full review (85 FR 3417, January 21, 2020). Notice of the scheduling of the Commission’s review and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* on May 14, 2020 (85 FR 28981). Subsequently, the Commission cancelled its previously scheduled hearing following a request on behalf of the domestic interested parties (85 FR 57882, September 16, 2020).

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

Views of the Commission

Based on the record in this 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 certain frozen fish fillets (“frozen fish fillets”) from Vietnam would likely lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

I. Background

Original Investigation. On June 28, 2002, the Catfish Farmers of America and individual catfish processors filed an antidumping duty petition on frozen fish fillets from Vietnam.¹ In August 2003, the Commission determined that an industry in the United States was materially injured by reason of imports of frozen fish fillets from Vietnam that the U.S. Department of Commerce (“Commerce”) had determined were sold at less than fair value.² On August 12, 2003, Commerce published an antidumping duty order covering frozen fish fillets from Vietnam.³

First Review. The Commission instituted its first five-year review on July 1, 2008.⁴ After conducting a full review, the Commission reached an affirmative determination in June 2009.⁵ Commerce issued a continuation of the antidumping duty order on July 10, 2009.⁶

Second Review. The Commission instituted its second five-year review on June 2, 2014.⁷ After conducting an expedited review, the Commission reached an affirmative

¹ *Certain Frozen Fish Fillets From Vietnam*, Inv. No. 731-TA-1012 (Final), USITC Pub. 3617 (August 2003) (“*Original Determination*”) at I-1.

² *Original Determination*, USITC Pub. 3617 at 3.

³ *Notice of Antidumping Duty Order: Certain Frozen Fish Fillets from the Socialist Republic of Vietnam*, 63 Fed. Reg. 47909 (Aug. 12, 2003).

⁴ *Certain Frozen Fish Fillets from Vietnam*, 73 Fed. Reg. 37487 (Jul. 1, 2008).

⁵ *Certain Frozen Fish Fillets from Vietnam*, Inv. No. 731-TA-1012 (Review), USITC Pub. 4083 (June 2009) (“*First Review Determination*”).

⁶ *Continuation of Antidumping Duty Order on Certain Frozen Fish Fillets From the Socialist Republic of Vietnam*, 74 Fed. Reg. 33208 (Jul. 10, 2009).

⁷ *Certain Frozen Fish Fillets from Vietnam: Institution of a Five-Year Review*, 79 Fed. Reg. 32345 (Jun. 2, 2014).

determination in October 2014.⁸ Commerce issued a continuation of the antidumping duty order on November 28, 2014.⁹

Current Review. The Commission instituted this third five-year review on October 1, 2019.¹⁰ The Commission received a joint response to its notice of institution on behalf of the Catfish Farmers of America, an association of U.S. catfish farmers and processors, and several individual catfish processors: America’s Catch; Alabama Catfish, LLC d/b/a Harvest Select Catfish, Inc.; Consolidated Catfish Companies, LLC d/b/a Country Select Catfish; Guidry’s Catfish, Inc.; Heartland Catfish Company; Magnolia Processing, Inc. d/b/a Pride of the Pond; and Simmons Farm Raised Catfish, Inc. (collectively referred to as “Domestic Producers”). The Commission also received a joint response from 28 producers of subject merchandise in Vietnam (collectively referred to as “Vietnamese Producers”).¹¹ On January 6, 2020, the Commission determined that the response to its notice of institution was adequate with respect to both the domestic interested party group and the respondent interested party group. Accordingly, the Commission decided to conduct a full review.¹²

Domestic Producers filed prehearing and posthearing briefs and final comments. Consecutive counsel for Vietnamese Producers withdrew their appearance, and Vietnamese

⁸ *Certain Frozen Fish Fillets from Vietnam*, Inv. No. 731-TA-1012 (Second Review), USITC Pub. 4498 (October 2014) (“*Second Review Determination*”).

⁹ *Certain Frozen Fish Fillets From the Socialist Republic of Vietnam: Continuation of Antidumping Duty Order*, 79 Fed. Reg. 70853 (Nov. 28, 2014).

¹⁰ *Certain Frozen Fish Fillets From Vietnam; Institution of a Five-Year Review*, 84 Fed. Reg. 52122 (Oct. 1, 2019).

¹¹ The 28 Vietnamese Producers were: Bien Dong Seafood Company Ltd; Vinh Hoan Corporation; Godaco Seafood Joint Stock Company; International Development & Investment Corporation; NTSF Seafoods Joint Stock Company; Van Duc Tien Giang Food Processing Export One Member Co., Ltd; Hung Vuong Joint Stock Company; Can Tho Import-Export Joint Stock Company; Nam Viet Corporation; East Sea Seafoods LLC; TG Fishery Holdings Corporation; Hungca Company limited; Dai Thanh Seafoods Company Limited; Hai Huong Seafood Joint Stock Company; Cuu Long Fish Joint Stock Company; An My fish Joint Stock Company; Green Farms Seafood Joint Stock Company; Co May Import Export Company Limited; Dong A Seafood Company Limited; Hoang Long Seafood Processing Company Limited; Cadovimex II Seafood Import- Export And Processing Joint Stock Company; Van Y Joint Stock Company; Southern Fishery Industries Company Limited; Bentre Aquaproduct Import and Export Joint Stock Company; Dai Thanh Company Limited; An Giang Fisheries Import and Import Joint Stock Company; Europe Joint Stock Company; and Hung Vuong - Ben Tre Company Limited. Confidential Report (“CR”) and Public Report (“PR”) at Table IV-2 note.

¹² *Certain Frozen Fish Fillets From Vietnam; Notice of Commission Determination to Conduct a Full Five-Year Review*, 85 Fed. Reg. 3417 (Jan. 21, 2020); *see also* Explanation of Commission Determination on Adequacy, EDIS Doc. 700473 (Jan. 28, 2020).

Producers did not subsequently retain new counsel or participate in the review.¹³ At the Domestic Producers' request, and in light of the absence of respondent participation, the Commission cancelled the hearing in this review.¹⁴

U.S. industry data are based on the questionnaire responses of nine U.S. processors of frozen catfish fillets that are believed to account for the vast majority of domestic production in 2019.¹⁵ U.S. import data and related information are based on official import statistics and the questionnaire responses of four importers of frozen fish fillets that accounted for *** percent of total subject imports from 2017 to 2019.¹⁶ The Commission did not receive any completed responses to its questionnaire from any producer of frozen fish fillets in Vietnam. As noted above, however, it did receive a response to the notice of institution from Vietnamese Producers, which accounted for *** percent of total production of frozen fish fillets in Vietnam in 2018.¹⁷ Therefore, foreign industry data and related information are based on information from the original investigation and prior reviews, as well as available information submitted by Domestic Producers and Vietnamese Producers and compiled by Commission staff in this review.¹⁸

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.”¹⁹ 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.”²⁰ The Commission’s

¹³ Letter from Robert L. LaFrankie to Lisa R. Barton, EDIS Doc. 697783 (Dec. 20, 2019); *see also* Letter from Matthew R. Nicely to Lisa R. Barton, EDIS Doc. 703664 (Feb. 28, 2020).

¹⁴ *Certain Frozen Fish Fillets From Vietnam; Cancellation of Hearing for Third Full Five-Year Review*, 85 Fed. Reg. 57882 (Sep. 16, 2020).

¹⁵ CR/PR at III-1.

¹⁶ CR/PR at IV-1.

¹⁷ CR/PR at IV-6.

¹⁸ *See* CR/PR at IV-6-10.

¹⁹ 19 U.S.C. § 1677(4)(A).

²⁰ 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).

practice in five-year reviews is to examine the domestic like product definition from the original investigations and consider whether the record indicates any reason to revisit the prior findings.²¹

Commerce has defined the scope of the antidumping duty order in the five-year review as follows:

The product covered by the order is frozen fish fillets, including regular, shank, and strip fillets and portions thereof, whether or not breaded or marinated, of the species *Pangasius Bocourti*, *Pangasius Hypophthalmus* (also known as *Pangasius Pangasius*) and *Pangasius Micronemus*.

Frozen fish fillets are lengthwise cuts of whole fish. The fillet products covered by the scope include boneless fillets with the belly flap intact (“regular” fillets), boneless fillets with the belly flap removed (“shank” fillets) and boneless shank fillets cut into strips (“fillet strips/finger”), which include fillets cut into strips, chunks, blocks, skewers, or any other shape.

Specifically excluded from the scope are frozen whole fish (whether or not dressed), frozen steaks, and frozen belly-flap nuggets. Frozen whole, dressed fish are deheaded, skinned, and eviscerated. Steaks are bone-in, cross-section cuts of dressed fish. Nuggets are the belly-flaps.²²

The subject merchandise, basa/tra, and the domestically produced product, catfish, belong to separate families of freshwater fish, but both are regarded in the food industry as mild-tasting, white meat, freshwater fish. When processed into frozen fillets, they are considered generally similar in appearance, price, texture, and taste.²³ A fillet is one of two

²¹ See, e.g., *Internal Combustion Industrial Forklift Trucks from Japan*, Inv. No. 731-TA-377 (Second Review), USITC Pub. 3831 at 8-9 (December 2005); *Crawfish Tail Meat from China*, Inv. No. 731-TA-752 (Review), USITC Pub. 3614 at 4 (July 2003); *Steel Concrete Reinforcing Bar from Turkey*, Inv. No. 731-TA-745 (Review), USITC Pub. 3577 at 4 (February 2003).

²² *Certain Frozen Fish Fillets From the Socialist Republic of Vietnam: Final Results of the Expedited Third Sunset Review of the Antidumping Duty Order*, 85 Fed. Reg. 6500 (Feb. 5, 2020) and accompanying Issues and Decision Memorandum at 2. The scope has not changed since the original investigation. See *Original Determination*, USITC Pub. 3617 at 4.

²³ CR/PR at I-22.

sides of a fish, with head, tail, bones, and entrails removed.²⁴ “Regular” fillets include the belly flap or “nugget”; “shank” fillets have the flap removed; and “strip” or “finger” fillets are finger-sized strips cut from regular or shank fillets.²⁵ Each fillet ranges in size from 2 ounces to over 12 ounces frozen.²⁶

In the original investigation, the Commission found that basa and tra species, which were the species used to produce frozen fish fillets from Vietnam, were not raised in the United States.²⁷ In the absence of a domestic article that was “like” the subject imports, the Commission found that the domestic article “most similar in characteristics and uses” with the subject imports was frozen fillets of catfish, of the family *Ictaluridae*.²⁸ The Commission explained that subject basa and tra and domestic catfish were all freshwater white fish, with similar six-month shelf lives when frozen, similar texture, and a neutral/mild flavor.²⁹ Further, it found that frozen fillets of basa, tra, and domestic catfish were typically individually quick frozen, packaged in 15-pound boxes, and sold in the same size increments, primarily to the food service industry and secondarily to restaurants.³⁰

As additional support for defining the domestic like product as frozen catfish fillets, the Commission observed that frozen basa and tra fillets from Vietnam had been widely marketed, sold, and even labeled in the United States during the period of investigation as frozen “catfish” fillets under product names similar to U.S. catfish producers’ products or that implied domestic origin.³¹ For these reasons, the Commission defined the domestic like product as frozen catfish fillets.³²

²⁴ CR/PR at I-22.

²⁵ CR/PR at I-22.

²⁶ CR/PR at I-22.

²⁷ *Original Determination*, USITC Pub. 3617 at 6.

²⁸ *Original Determination*, USITC Pub. 3617 at 6; *see also* 19 U.S.C. § 1677(10), S. Rep. No. 249, 96th Cong., 1st Sess. 90-91 (1979).

²⁹ *Original Determination*, USITC Pub. 3617 at 6.

³⁰ *Original Determination*, USITC Pub. 3617 at 5.

³¹ *Original Determination*, USITC Pub. 3617 at 5-6. In 2001 and 2002, legislation intended to prohibit this practice was enacted. The Commission noted that section 755 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act of 2002 provided that, effective November 28, 2001, “***one of the funds appropriated or otherwise made available by this Act to the Food and Drug Administration shall be used to allow admission of fish or fish products labeled wholly or in part as ‘catfish’ unless the products are taxonomically from the family *Ictaluridae*.” That Act also required, as of September 30, 2004, that a retailer of farm-raised fish (among other agricultural products) “shall inform consumers, at the final point of sale of the covered commodity to consumers, of the country of origin of the covered commodity,” but exempted food service

There was no dispute concerning the definition of the domestic like product in either of the prior reviews. Nor did the record of either review contain any information warranting revisiting the domestic like product definition. Consequently, in each review the Commission continued to define the domestic like product as frozen catfish fillets, whether plain, breaded, or marinated.³³

In this current review, Domestic Producers assert that the pertinent facts regarding the domestic like product are the same as in the prior proceedings and therefore the Commission's domestic like product definition should not be changed.³⁴ We find that the record in this review indicates that the characteristics of the domestically produced product have not changed since the prior proceedings and observe that no one has argued for a different like product definition.³⁵ Accordingly, we define the domestic like product as frozen catfish fillets, whether plain, breaded, or marinated.

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.”³⁶ In defining the domestic industry, the Commission's general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.

establishments. State labeling laws were also in effect in Mississippi, Louisiana, and Arkansas. *Id.* at 6 n.19.

The Commission also noted that it included frozen catfish fillets that were breaded and marinated in the definition of the domestic like product, citing similarities with plain frozen catfish fillets in terms of physical characteristics and uses, channels of distribution, production processes and employees, and price. *Id.* at 6 n.20.

³² *Original Determination*, USITC Pub. 3617 at 6. In the final phase of the investigation, the Commission collected information on competition among the subject imports, domestic frozen catfish fillets, and other types of frozen fish fillets, including tilapia. It found, however, that the additional information concerning other types of frozen fish fillets did not support including such products in the definition of the domestic like product. *Id.* at 6 n.21.

³³ *First Review Determination*, USITC Pub. 4083 at 6; *Second Review Determination*, USITC Pub. 4498 at 6.

³⁴ Domestic Parties' Prehearing Brief at 14.

³⁵ See generally CR/PR at I-22-24.

³⁶ 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.

In cases involving processed agricultural products, section 771(4)(E) of the Tariff Act authorizes the Commission to include growers of a raw agricultural input within the domestic industry producing the processed agricultural product if:

(a) the processed agricultural product is produced from the raw product through a single continuous line of production,³⁷ and

(b) there is a substantial coincidence of economic interest between the growers and producers of the processed product based upon the relevant economic factors.³⁸

In the original investigation and prior reviews, the Commission defined the domestic industry to include all U.S. processing operations producing frozen catfish fillets, whether or not breaded.³⁹ The Commission considered whether to include catfish farmers in the domestic industry pursuant to the processed agricultural product provision of the statute.⁴⁰ It found that there was no continuous line of production because the raw agricultural product, fresh raw catfish, was not “substantially or completely devoted to the production of the processed agricultural product,” frozen catfish fillets.⁴¹ Because the Commission found that the statutory

³⁷ The statute provides that the processed product shall be considered to be processed from the raw product in a single, continuous line of production if:

(a) the raw agricultural product is substantially or completely devoted to the production of the processed agricultural product; and

(b) the processed agricultural product is produced substantially or completely from the raw product. 19 U.S.C. § 1677(4)(E)(ii).

³⁸ In addressing coincidence of economic interest under the second prong of the test, the Commission may, in its discretion, consider price, added market value, or other economic interrelationships. See 19 U.S.C. § 1677(4)(E)(iii). Further:

(a) if price is taken into account, the Commission shall consider the degree of correlation between the price of the raw agricultural product and the price of the processed agricultural product; and

(b) if added market value is taken into account, the Commission shall consider whether the value of the raw agricultural product constitutes a significant percentage of the value of the processed agricultural product. 19 U.S.C. § 1677(4)(E)(iii).

³⁹ There were no related party issues in any of the prior proceedings. *Original Determination*, USITC Pub. 3617 at 9 n.35; *First Review Determination*, USITC Pub. 4083 at 6; *Second Review Determination*, USITC Pub. 4498 at 7 n.34.

⁴⁰ *Original Determination*, USITC Pub. 3617 at 7-9; *First Review Determination*, USITC Pub. 4083 at 6; *Second Review Determination*, USITC Pub. 4498 at 7.

⁴¹ Only about one-half of farmers’ fresh raw catfish was devoted to production of frozen catfish fillets in the original investigation and less than one-half was devoted to production of frozen catfish fillets in the first review, with the remaining portion devoted to products such as fresh fillets, fresh and frozen steaks, and nuggets. *Original Determination*, USITC Pub. 3617 at 8-9; *First Review Determination*, USITC Pub. 4083 at 6 n.27. Due to the expedited nature of the second review, the Commission relied on the available information from the prior proceedings. *Second Review Determination*, USITC Pub. 4498 at 7.

requirements were not satisfied, it did not include catfish farmers within the definition of the domestic industry.⁴²

In the current review, Domestic Producers request that the Commission define the domestic industry in the same manner as it did in the prior proceedings.⁴³ As in the prior proceedings, the first statutory requirement to include in the domestic industry the “growers” of a processed agricultural product – here, catfish farmers – is not satisfied because the raw product, fresh raw catfish, is not substantially devoted to the production of the processed product, frozen fish fillets. Most U.S. processors process catfish exclusively.⁴⁴ The catfish products that they process, however, are not limited to frozen fillets, but also include fresh and frozen whole fish, fresh and frozen dressed fish, fresh and frozen steaks, and fresh and frozen nuggets.⁴⁵ Catfish products other than frozen fillets accounted for over 40 percent of U.S. processors’ processed products by weight during the review period.⁴⁶ Consequently, there is no continuous line of production because a substantial proportion of the fresh raw catfish farmed in the United States is processed into products other than frozen fillets. Accordingly, we define the domestic industry to include all U.S. processors of frozen catfish fillets, whether plain, breaded, or marinated.⁴⁷

III. Revocation of the Antidumping 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.”⁴⁸ The Uruguay Round Agreements Act Statement of Administrative Action (“SAA”) states that

⁴² *Original Determination*, USITC Pub. 3617 at 9; *First Review Determination*, USITC Pub. 4083 at 6; *Second Review Determination*, USITC Pub. 4498 at 7.

⁴³ Domestic Producers’ Prehearing Brief at 14.

⁴⁴ CR/PR at I-24.

⁴⁵ CR/PR at I-24. *See also* Domestic Producers’ Prehearing Brief at 14.

⁴⁶ CR/PR at Table III-3.

⁴⁷ The record does not indicate that there are any issues concerning related parties pursuant to 19 U.S.C. § 1677(4)(B)(ii). CR/PR at I-26.

⁴⁸ 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.”⁴⁹ Thus, the likelihood standard is prospective in nature.⁵⁰ The U.S. Court of International Trade has found that “likely,” as used in the five-year review provisions of the Act, means “probable,” and the Commission applies that standard in five-year reviews.⁵¹

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.”⁵² 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.”⁵³

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

⁴⁹ H.R. Doc. 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.

⁵⁰ 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.

⁵¹ 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’”).

⁵² 19 U.S.C. § 1675a(a)(5).

⁵³ 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.*

imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated.”⁵⁴ It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order or the suspension agreement under review, whether the industry is vulnerable to material injury if 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).⁵⁵ 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.⁵⁶

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.⁵⁷ 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.⁵⁸

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.⁵⁹

⁵⁴ 19 U.S.C. § 1675a(a)(1).

⁵⁵ 19 U.S.C. § 1675a(a)(1). Commerce has not made duty absorption findings on the subject merchandise. CR/PR at I-9 n.16.

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

⁵⁷ 19 U.S.C. § 1675a(a)(2).

⁵⁸ 19 U.S.C. § 1675a(a)(2)(A-D).

⁵⁹ 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.

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.⁶⁰ All relevant economic factors are to be 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.⁶¹

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.”⁶² The following conditions of competition inform our determination.

1. Demand Conditions

a. Prior Proceedings

In the original investigation, the Commission noted that demand for frozen fillets of catfish, basa, and tra had increased. Apparent U.S. consumption increased by 24.1 percent from 2000 to 2002, rising from 148.4 million pounds in 2000 to 184.2 million pounds in 2002.⁶³ In the first review, apparent U.S. consumption increased irregularly from 161 million pounds in

⁶⁰ 19 U.S.C. § 1675a(a)(4).

⁶¹ 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.

⁶² 19 U.S.C. § 1675a(a)(4).

⁶³ *Original Determination*, USITC Pub. 3617 at 10.

2003 to 212 million pounds in 2008, representing an increase of more than 30 percent.⁶⁴ The Commission stated that firms reporting increased demand cited a number of reasons, including the desire for healthier food, an increase in availability, affordability, and the mild taste of the product.⁶⁵ The Commission also observed that U.S. processors and importers sold to food service distributors, grocery chains, warehouse clubs, and directly to restaurants.⁶⁶ Food service distributors in turn generally sold to restaurants, where consumers purchased the vast majority of frozen fish fillets.⁶⁷ In the second review, apparent U.S. consumption was 290 million pounds in 2013, 37 percent higher than in 2008, the end of the first review period.⁶⁸

b. Current Review

Demand for frozen fish fillets is driven by consumer preferences through purchasing the product in grocery stores or ordering items at restaurants that incorporate frozen fish fillets.⁶⁹ Purchasers include food service distributors, restaurants, and grocery and retail establishments; however, food service distributors constituted the majority of U.S. shipments throughout the period.⁷⁰ A plurality of firms reported an increase in U.S. demand for frozen fish fillets since the beginning of 2017.⁷¹ However, market participants had mixed views on future demand.⁷² Domestic Producers state that the current COVID-19 pandemic caused an increase in demand for frozen fish fillets in the retail channel, but a larger decline in demand by restaurants and food service distributors.⁷³

Apparent U.S. consumption of frozen fish fillets rose from 300.1 million pounds in 2017 to 329.2 million pounds in 2018, and fell to 257.4 million pounds in 2019.⁷⁴

⁶⁴ *First Review Determination*, USITC Pub. 4083 at 10.

⁶⁵ *First Review Determination*, USITC Pub. 4083 at 10.

⁶⁶ *First Review Determination*, USITC Pub. 4083 at 10.

⁶⁷ *First Review Determination*, USITC Pub. 4083 at 11.

⁶⁸ *Second Review Determination*, USITC Pub. 4498 at 10.

⁶⁹ CR/PR at II-6.

⁷⁰ CR/PR at Table II-1.

⁷¹ CR/PR at Table II-4.

⁷² CR/PR at II-7, Table II-4. Consumer expenditures for food have steadily increased since 2017. CR/PR at II-6, Figure II-1.

⁷³ Domestic Producers' Posthearing Brief at 39. Domestic Producers note they are unable to predict U.S. demand for frozen fish fillets in 2020 and 2021. *Id.*

⁷⁴ CR/PR at Table I-8. Apparent U.S. consumption was lower in January-March ("interim") 2020 at 68.4 million pounds than in interim 2019, when it was 78.9 million pounds. *Id.*

2. Supply Conditions

a. Prior Proceedings

In the original investigation, the Commission observed that the domestic industry, consisting of 25 processors, was the leading source of supply to the U.S. market and that, as demand continued to increase, the industry's capacity increased by 12.8 percent from 2000 to 2002.⁷⁵ The Commission considered the relationship and interdependence of domestic catfish farmers and processors to be a condition of competition.⁷⁶ The Commission stated that, while subject imports were largely absent from the U.S. market prior to 1999, they had become an increasingly significant source of supply, and nonsubject imports were consistently less than one percent of apparent U.S. consumption during the January 2000-March 2003 period of investigation ("POI").⁷⁷

In the first review, the Commission explained that, although apparent U.S. consumption continued to grow during the review period, the domestic industry contracted as processors consolidated or went out of business.⁷⁸ Four domestic catfish processors ceased operations and another closed several plants.⁷⁹ The domestic industry's market share fell from 87.1 percent in 2003 to 54.1 percent in 2008.⁸⁰ There continued to be a high degree of interdependence between U.S. catfish farmers and processors.⁸¹ The Commission observed that during the review period, the price processors paid for live fish increased as a result of reduced supply; there had been a 25 percent reduction in the total acreage dedicated to ponds for raising catfish from the peak level in 2002.⁸²

⁷⁵ *Original Determination*, USITC Pub. 3617 at 10.

⁷⁶ *Original Determination*, USITC Pub. 3617 at 10.

⁷⁷ *Original Determination*, USITC Pub. 3617 at 10. The domestic producers' share of apparent U.S. consumption was 90.7 percent in 2000, 83.0 percent in 2001, and 80.1 percent in 2002. *Id.* at Table IV-1. Subject imports' share of apparent U.S. consumption was 8.4 percent in 2000, 16.4 percent in 2001, and 19.6 percent in 2002. *Id.* Nonsubject imports' share of apparent U.S. consumption was 0.8 percent in 2000, 0.6 percent in 2001, and 0.3 percent in 2002. *Id.*

⁷⁸ *First Review Determination*, USITC Pub. 4083 at 11.

⁷⁹ *First Review Determination*, USITC Pub. 4083 at 11.

⁸⁰ *First Review Determination*, USITC Pub. 4083 at 13.

⁸¹ *First Review Determination*, USITC Pub. 4083 at 11.

⁸² *First Review Determination*, USITC Pub. 4083 at 12. The Commission explained that some catfish farmers had reduced or ceased operations because they were unable to increase prices sufficiently to cover increased feed costs. *Id.*

Subject imports' market share increased during the first review period from 12.2 percent in 2003 to 25.1 percent in 2008.⁸³ The Commission identified growth in the volume of nonsubject imports, most notably those from China, as a major change in the conditions of competition since the original investigation. Whereas nonsubject imports had accounted for less than one percent of apparent U.S. consumption throughout the original POI, they accounted for 20.8 percent in 2008.⁸⁴

In the second review, domestic parties identified 17 U.S. producers of frozen catfish fillets and stated that at least three processing facilities ceased operations since the first review.⁸⁵ The domestic industry accounted for 17.9 percent of apparent U.S. consumption in 2013.⁸⁶ Subject imports accounted for the largest share of apparent U.S. consumption in 2013, with a 77.4 percent share.⁸⁷ Nonsubject imports accounted for 4.7 percent of apparent U.S. consumption in 2013.⁸⁸

b. Current Review

During the current period of review, the domestic industry was the second largest supplier of frozen fish fillets to the U.S. market.⁸⁹ The industry experienced continued consolidation during the period of review. One U.S. processor filed for bankruptcy and leased its operations to another processor in 2019, while one processor relocated, and another expanded its operations.⁹⁰ The domestic industry's share of apparent U.S. consumption increased from 19.2 percent in 2017 to 19.3 percent in 2018 and 23.9 percent in 2019.⁹¹

Subject imports accounted for the largest share of apparent U.S. consumption throughout the period of review. Subject import market penetration increased from 76.7 percent in 2017 to 76.9 percent in 2018 and fell to 71.7 percent in 2019.⁹²

⁸³ *First Review Determination*, USITC Pub. 4083 at 13.

⁸⁴ *First Review Determination*, USITC Pub. 4083 at 12-13. The Commission noted that the data for nonsubject imports included imports of both in-scope basa and tra and of out-of-scope catfish, which accounted for most of the imports from China. *Id.* at 12 nn.79, 80.

⁸⁵ *Second Review Determination*, USITC Pub. 4498 at 11.

⁸⁶ *Second Review Determination*, USITC Pub. 4498 at 11.

⁸⁷ *Second Review Determination*, USITC Pub. 4498 at 11-12.

⁸⁸ *Second Review Determination*, USITC Pub. 4498 at 12.

⁸⁹ CR/PR at Table I-8.

⁹⁰ CR/PR at Table III-1.

⁹¹ CR/PR at Table I-8. The domestic industry's share of apparent U.S. consumption was 21.9 percent in interim 2019 and 23.3 percent in interim 2020. *Id.*

⁹² CR/PR at Table I-8. Subject imports' share of apparent U.S. consumption was 74.2 percent in interim 2019 and 71.7 percent in interim 2020. *Id.*

Nonsubject imports accounted for the smallest share of apparent U.S. consumption throughout the period of review. Nonsubject import market penetration decreased from 4.1 percent in 2017 to 3.8 percent in 2018, and increased to 4.4 percent in 2019.⁹³ China accounted for the majority of nonsubject imports during the period.⁹⁴

The supply of frozen fish fillets is dependent on the supply of live fish. Multiple U.S. processors and at least one purchaser of subject imports observed supply constraints during the period of review due to low live fish supply.⁹⁵ Domestic Producers stated that it takes approximately 18 months to two years for catfish to reach 1-2 pounds and become ready to be harvested.⁹⁶ One U.S. producer reported that farmers in the United States had shifted to farming hybrid catfish, which grow faster and become ready for the market in approximately 12 months.⁹⁷ By contrast, available information indicates that basa take 12 months to reach a marketable size of approximately 3.5 to 4 pounds, and tra can be grown to a comparable size in six months.⁹⁸

3. Substitutability and Other Conditions

a. Prior Proceedings

In the original investigation, the Commission found that basa, tra, and catfish generally were similar in appearance, texture, price, and taste when processed into fillets.⁹⁹ The domestic like product and the subject imports were sold in the same size range and in similar packaging.¹⁰⁰ A majority of importers and domestic producers and some purchasers reported that the subject imports and the domestic like product were used interchangeably.¹⁰¹ Subject basa and tra fillets in fact were marketed and sold in the United States as “catfish.”¹⁰² The Commission found that, while the marketing of the subject imports may have changed as a result of the laws concerning labeling, consumers still viewed basa and tra as comparable to

⁹³ CR/PR at Table I-8. Nonsubject imports’ share of apparent U.S. consumption was 3.9 percent in interim 2019 and 4.9 percent in interim 2020. *Id.*

⁹⁴ CR/PR at II-5.

⁹⁵ CR/PR at II-5.

⁹⁶ Domestic Producers’ Prehearing Brief at 13.

⁹⁷ CR/PR at II-7; Domestic Producers’ Posthearing Brief at Exhibit 3.

⁹⁸ *First Review Determination*, USITC Pub. 4083 I-18 n.45.

⁹⁹ *Original Determination*, USITC Pub. 3617 at 10.

¹⁰⁰ *Original Determination*, USITC Pub. 3617 at 10-11.

¹⁰¹ *Original Determination*, USITC Pub. 3617 at 12.

¹⁰² As previously stated, in 2001 and 2002, legislation intended to prohibit this practice was enacted. *Original Determination*, USITC Pub. 3617 at 11.

domestic catfish fillets; the Commission further found that basa and tra fillets competed with catfish fillets for the same accounts; and large purchasers had switched between catfish fillets and the subject imports.¹⁰³

In the first review, the Commission found that the degree to which frozen domestic catfish fillets and frozen basa and tra fillets from Vietnam were substitutable in the U.S. market may have decreased as a result of the stricter labeling requirements at the federal and state levels.¹⁰⁴ The Commission found, however, that distributors, sellers, and restaurant owners still appeared to be marketing the subject imports as a substitute for catfish in oral communications, price lists, and menus.¹⁰⁵ It concluded that, given the record as a whole, including the similarities in physical characteristics of the products and the contrasting trends in market share, there appeared to be at least moderate substitutability between the domestic like product and the subject imports.¹⁰⁶ Additionally, it found that price remained an important factor in purchasing decisions.¹⁰⁷

In the second review, the record contained no new information suggesting the level of interchangeability had changed since the prior proceedings, and the Commission found there was at least a moderate degree of substitutability between subject imports and the domestic like product and price remained an important factor in purchasing decisions.¹⁰⁸

b. Current Review

The record in this review indicates that there is at least a moderate degree of substitutability between the domestic like product and subject imports.¹⁰⁹ Majorities or pluralities of purchasers reported that the domestic like product and subject imports were comparable in 13 out of 15 purchasing factors.¹¹⁰ Additionally, all purchasers reported that the domestic like product and subject imports always or usually meet minimum quality

¹⁰³ *Original Determination*, USITC Pub. 3617 at 11-12.

¹⁰⁴ *First Review Determination*, USITC Pub. 4083 at 11.

¹⁰⁵ *First Review Determination*, USITC Pub. 4083 at 11.

¹⁰⁶ *First Review Determination*, USITC Pub. 4083 at 11.

¹⁰⁷ *First Review Determination*, USITC Pub. 4083 at 16.

¹⁰⁸ *Second Review Determination*, USITC Pub. 4498 at 12, 16.

¹⁰⁹ Staff Report Revision, INV-SS-123 (Oct. 20, 2020) at II-8.

¹¹⁰ CR/PR at Table II-9. Majorities or pluralities of responding purchasers reported that nonsubject imports were comparable in all 15 purchasing factors with both the domestic like product and subject imports. *Id.*

specifications.¹¹¹ Purchasers provided mixed responses, however, as to the interchangeability of the domestic like product and subject imports, while all responding U.S. producers indicated that the domestic like product and subject imports are at least frequently interchangeable and the two responding importers ***.¹¹²

The record in this review also indicates that price remains an important factor in purchasing decisions. Five out of six purchasers identified price as a very important factor in purchasing decisions; only product consistency and reliability of supply were identified as very important factors by a greater number of purchasers.¹¹³

During the period of review, the U.S. Department of Agriculture's Food Safety and Inspection Service ("FSIS") implemented labeling and inspection requirements for all Siluriformes, which includes subject imports of basa and tra as well as domestic catfish.¹¹⁴ Under the requirements, in order to export to the United States countries must obtain an equivalency determination from FSIS.¹¹⁵ The requirements, effective March 1, 2016, allowed for an 18-month transition period during which FSIS permitted foreign exporters to continue shipping to the U.S. market while FSIS confirmed that the foreign countries and establishments used equivalent inspection requirements.¹¹⁶ Countries that submitted complete equivalence documentation by September 1, 2017, were permitted to continue exporting until such time that FSIS determined if their inspection systems were equivalent to the U.S. system.¹¹⁷ On November 5, 2019, FSIS recognized that Vietnam's inspection and labeling systems were equivalent to the systems established in the United States and found that Vietnam is eligible to export Siluriformes to the United States.¹¹⁸ Domestic Producers argue that the change in regulations may have temporarily slowed the supply of subject imports from 2016 to 2017, but

¹¹¹ CR/PR at Table II-11.

¹¹² Three of five U.S. purchasers indicated that the domestic like product and subject imports were not interchangeable, and two indicated that they were sometimes interchangeable. CR/PR at Table II-10. Of the two responding importers *** interchangeable. *Id.*

¹¹³ CR/PR at Table II-6.

¹¹⁴ *Mandatory Inspection of Fish of the Order Siluriformes and Products Derived From Such Fish*, 80 Fed. Reg. 75,590 (Dec. 2, 2015 Dep't of Agric.).

¹¹⁵ *Mandatory Inspection of Fish of the Order Siluriformes and Products Derived From Such Fish*, 80 Fed. Reg. 75,590, 75597 (Dec. 2, 2015 Dep't of Agric.).

¹¹⁶ *Mandatory Inspection of Fish of the Order Siluriformes and Products Derived From Such Fish*, 80 Fed. Reg. 75,590, 75590 (Dec. 2, 2015 Dep't of Agric.).

¹¹⁷ *Mandatory Inspection of Fish of the Order Siluriformes and Products Derived From Such Fish*, 80 Fed. Reg. 75,590, 75608 (Dec. 2, 2015 Dep't of Agric.).

¹¹⁸ *Eligibility of the Socialist Republic of Vietnam To Export Siluriformes Fish and Fish Products to the United States*, 84 Fed. Reg. 59682 (Nov. 5, 2019 Dep't of Agric.).

have not acted as a restraint since this time.¹¹⁹ Additionally, one importer indicated that the new regulations limit subject imports.¹²⁰

C. Likely Volume of Subject Imports

1. The Original Investigation

In its original investigation, the Commission found that the quantity of subject imports rose from 12.5 million pounds in 2000 to 26.0 million pounds in 2001 and 36.0 million pounds in 2002, an increase of 187.4 percent from 2000 to 2002.¹²¹ The Commission stated that, although apparent U.S. consumption grew between 2000 and 2002, the volume of subject imports grew significantly faster and captured an increasing share of the U.S. market.¹²² Subject imports increased relative to domestic production as well; they were equivalent to 11.6 percent of domestic production in 2000 but rose to 33.2 percent by 2002.¹²³ The Commission concluded that the increased volumes of subject imports were significant both in absolute terms and relative to production and apparent U.S. consumption in the United States.¹²⁴

2. The First Review

In the first review, the Commission observed that subject imports maintained a growing and significant presence in the U.S. market, even with the order in place.¹²⁵ Subject imports increased from 19.7 million pounds in 2003 to 53.3 million pounds in 2008, an increase of 171 percent. By quantity, subject imports increased their U.S. market share from 12.2 percent in 2003 to 25.1 percent in 2008.¹²⁶

The Commission observed that record information regarding unused capacity and planned additions to capacity in Vietnam was limited because Vietnamese producers and exporters had not responded to the Commission's questionnaire and the respondents had provided only information concerning their members' production and exports.¹²⁷ The

¹¹⁹ *Eligibility of the Socialist Republic of Vietnam To Export Siluriformes Fish and Fish Products to the United States*, 84 Fed. Reg. 59682 (Nov. 5, 2019 Dep't of Agric.).

¹²⁰ CR/PR at II-5.

¹²¹ *Original Determination*, USITC Pub. 3617 at 13.

¹²² *Original Determination*, USITC Pub. 3617 at 13.

¹²³ *Original Determination*, USITC Pub. 3617 at 13.

¹²⁴ *Original Determination*, USITC Pub. 3617 at 13-14.

¹²⁵ *First Review Determination*, USITC Pub. 4083 at 13.

¹²⁶ *First Review Determination*, USITC Pub. 4083 at 13.

¹²⁷ *First Review Determination*, USITC Pub. 4083 at 13.

Commission found that the Vietnamese industry had significant excess capacity, significant planned additions to its capacity, and a large volume of current production that could be shifted to the United States.¹²⁸ The record also indicated that the U.S. market was attractive to Vietnamese exporters in light of their continued participation in the market and efforts at circumventing the order.¹²⁹ Further, the Vietnamese industry had a pattern of rapidly increasing its exports at declining average unit values (“AUVs”).¹³⁰ The Commission therefore concluded that the likely volume of subject imports, both in absolute terms and relative to production and consumption in the United States, would be significant if the antidumping duty order were revoked.¹³¹

3. The Second Review

In the expedited second review, the Commission found that subject imports continued to be present in the U.S. market and reached an all-time peak in 2013.¹³² Available data indicated that the industry in Vietnam continued to manufacture and export substantial volumes of frozen basa and tra and it continued to have significant excess capacity.¹³³ The United States remained an attractive market for the frozen basa and tra fillet industry in Vietnam, with subject imports having increased by 320.8 percent since the prior review.¹³⁴ Accordingly, the Commission found that, upon revocation of the order, subject producers in Vietnam would likely increase exports to the U.S. market to an even greater extent, and that the likely volume of subject imports would be significant.¹³⁵

4. The Current Review

The record indicates that subject producers of frozen fish fillets have the means and the incentive to export subject merchandise to the U.S. market in significant volumes. Subject producers are already exporting such volumes and, as elaborated below, have the ability and incentive to direct even greater volumes to the United States within a reasonably foreseeable time if the antidumping duty order were revoked. Subject imports rose from 230.2 million

¹²⁸ *First Review Determination*, USITC Pub. 4083 at 14.

¹²⁹ *First Review Determination*, USITC Pub. 4083 at 15.

¹³⁰ *First Review Determination*, USITC Pub. 4083 at 15.

¹³¹ *First Review Determination*, USITC Pub. 4083 at 15.

¹³² *Second Review Determination*, USITC Pub. 4498 at 14.

¹³³ *Second Review Determination*, USITC Pub. 4498 at 14.

¹³⁴ *Second Review Determination*, USITC Pub. 4498 at 15.

¹³⁵ *Second Review Determination*, USITC Pub. 4498 at 15.

pounds in 2017 to 253.3 million pounds in 2018, and fell to 184.6 million pounds in 2019.¹³⁶ Market share of subject imports ranged from 71.7 percent in 2019 to 76.9 percent in 2018.¹³⁷

In this review, the record contains only limited data concerning the industry in Vietnam. Vietnamese Producers, which estimate they accounted for *** percent of the production of subject merchandise in 2018, provided information in their response to the notice of institution.¹³⁸ This information was limited to capacity, production, and U.S. exports during a single year, 2018.¹³⁹ The Commission issued 85 questionnaires to foreign producers and exporters believed to produce and/or export subject merchandise seeking more extensive information, but received no completed responses. Consequently, the lack of foreign producer participation has prevented the Commission from assembling a comprehensive set of production and capacity data for subject producers from Vietnam.

Nonetheless, the record demonstrates that the subject industry has significant production capacity and unused capacity, and exported substantial volumes of frozen fish fillets during the period of review. Data provided by the Vietnamese Producers indicate that during 2018 their capacity was *** pounds and their production was *** pounds.¹⁴⁰ Consequently, during 2018 the industry in Vietnam had excess capacity of at least *** pounds.¹⁴¹ This total exceeded the domestic industry's entire production of frozen fish fillets that year.¹⁴² The Vietnamese industry's capacity and production are expected to continue to increase with Nam Viet Joint Stock Company announcing plans to expand production and resume exporting to the

¹³⁶ CR/PR at Table I-8. Subject import volume was 58.5 million pounds in interim 2019 and 49.0 million pounds in interim 2020. *Id.* The Commission report calculates import data based on official Commerce statistics using HTSUS statistical reporting numbers 0304.62.0010, 0304.62.0020, 0304.62.0030, and 0304.62.0090. *Id.* at I-28. These numbers include imports of frozen fish fillets in the catfish family, *ictaluridae*, basa and tra, and therefore may include some nonsubject merchandise. *Id.* at IV-1 n.2. Subject imports from Vietnam primarily entered under statistical reporting numbers 0304.62.0020 and 0304.62.0030 during the period of review, with the volume of subject imports entering under the last number increasing during the latter portion of the period of review. *Id.* at IV-1 n.2 and Table IV-1; Domestic Producers' Prehearing Brief at Exhibit 6.

¹³⁷ Subject imports' market share was 74.2 percent in interim 2019 and 71.7 percent in interim 2020. CR/PR at Table I-8.

¹³⁸ CR/PR at IV-6.

¹³⁹ CR/PR at Table IV-2.

¹⁴⁰ CR/PR at Table IV-2.

¹⁴¹ CR/PR at Table IV-2; Vietnamese Producers' Response to Request for Additional Information (Nov. 19, 2019) at 3.

¹⁴² CR/PR at Table III-3. The ratio of subject imports to U.S. production was 391.8 percent in 2017, 399.8 percent in 2018, and 291.4 percent in 2019; it was 363.8 percent in interim 2019 and 310.1 percent in interim 2020. *Id.* at Table IV-1.

United States, and Vinh Hoan announcing plans to double its production capacity at one processing plant and upgrade unutilized capacity at another.¹⁴³

The available data also indicate that the subject industry is highly export-oriented as Vietnam was the largest global exporter of fish classified under HTS 0304.62.00 from 2017 to 2019.¹⁴⁴ Available GTA data indicate that global exports from Vietnam ranged from \$1.15 billion in 2017 to \$1.60 billion in 2019, figures that far exceeded apparent U.S. consumption.¹⁴⁵ Moreover, the United States is an attractive destination for foreign exports of frozen fish fillets, as demonstrated by the continued presence of large quantities of subject imports in the U.S. market, despite the antidumping duty order, and the United States being Vietnam's largest export market for the tariff category including frozen fish fillets in 2017 and second largest export market in 2018 and 2019.¹⁴⁶

In light of these factors, we find that subject producers are likely, upon revocation of the order, to direct large and increasing volumes of frozen fish fillets to the U.S. market. We find that the likely volume of subject imports, both in absolute terms and relative to consumption and production in the United States, would be significant if the order were revoked.¹⁴⁷

D. Likely Price Effects

1. The Original Investigation

In the original investigation, the Commission found that the domestic like product and subject imports were substitutable and that they competed not only in the same U.S. regions

¹⁴³ Domestic Producers' Response to Notice of Institution, EDIS Doc. 692835 (Oct. 31, 2019) at Ex. 1.

¹⁴⁴ CR/PR at Table IV-3. The available export data reported by Global Trade Atlas (GTA) include both subject and some out-of-scope products. CR/PR at Table IV-3 note.

¹⁴⁵ CR/PR at Tables I-8 and IV-4. As previously discussed, available GTA data include some out-of-scope products. Apparent U.S. consumption peaked during the period of review at \$822.8 million in 2018 and was \$629.7 million in 2019. *Id.* at Table I-8.

¹⁴⁶ CR/PR at Table IV-3. As previously discussed, available GTA data include some out-of-scope products.

¹⁴⁷ We also examined several other factors in our analysis of likely subject import volume. One importer reported inventories of *** pounds of subject merchandise at the end of 2017, but ***. CR/PR at IV-5. Due to the lack of questionnaire responses from any foreign producers, the record in this review does not contain any information about current inventories of subject merchandise in Vietnam or subject producers' current ability to shift production from out-of-scope products to subject merchandise. Additionally, there are no antidumping or countervailing duty orders on frozen fish fillets from Vietnam currently in effect in other markets. CR/PR at IV-9.

and through the same channels of distribution, but also at the same customer accounts.¹⁴⁸ The Commission found that subject imports undersold the domestic product in all 139 monthly price comparisons, by margins ranging from 9.2 percent to 38.6 percent, and concluded that the underselling was significant.¹⁴⁹ The Commission also found that low-priced subject imports caused significant price depression, as average prices for the domestic like product declined significantly over the POI.¹⁵⁰

2. The First Review

In the first review, the Commission found that the domestic like product and subject imports continued to be used interchangeably and price remained an important factor in purchasing decisions. It found that the subject imports undersold the domestic like product in all 74 comparisons at margins that ranged from 17.5 to 50.7 percent.¹⁵¹

The Commission found that, although prices for the domestic like product increased during the review period, the increases were not sufficient to cover the increasing costs of the processors, which encompassed the cost of live catfish.¹⁵² Consequently, the industry experienced a cost-price squeeze during the review period.¹⁵³ The Commission found that, in light of strong demand, the domestic industry should have been able to pass these cost increases to purchasers by way of higher prices, but was unable to do so.¹⁵⁴ It explained that, if the order were revoked and domestic producers were competing against greater volumes of low-priced imports from Vietnam, it would be even more difficult for domestic producers to raise prices to cover their increasing costs, leading to even greater price-suppressing effects.¹⁵⁵

The Commission found that subject producers were likely to price their product even more aggressively if the order were revoked in order to export large volumes of subject merchandise to the United States and increase their share of the U.S. market.¹⁵⁶ Thus, the Commission found that, absent the antidumping duty order, the subject producers were likely

¹⁴⁸ *Original Determination*, USITC Pub. 3617 at 14.

¹⁴⁹ *Original Determination*, USITC Pub. 3617 at 15.

¹⁵⁰ *Original Determination*, USITC Pub. 3617 at 17.

¹⁵¹ *First Review Determination*, USITC Pub. 4083 at 16.

¹⁵² *First Review Determination*, USITC Pub. 4083 at 17.

¹⁵³ *First Review Determination*, USITC Pub. 4083 at 17.

¹⁵⁴ *First Review Determination*, USITC Pub. 4083 at 17.

¹⁵⁵ *First Review Determination*, USITC Pub. 4083 at 17.

¹⁵⁶ *First Review Determination*, USITC Pub. 4083 at 17.

to lower their prices, as they had in their other export markets, in order to increase their market share in the United States.¹⁵⁷

Accordingly, the Commission concluded in the first review that subject imports from Vietnam were likely to have significant price effects if the order were revoked.¹⁵⁸

3. The Second Review

In the second review, the Commission found that price continued to be an important factor in purchasing decisions.¹⁵⁹ Because of its expedited nature, the record of the second review contained no pricing comparisons.¹⁶⁰ The Commission found that if the antidumping duty order were revoked, subject imports from Vietnam would likely be priced aggressively and undersell the domestic like product to gain market share.¹⁶¹ This in turn would likely require the domestic industry either to cut prices or restrain price increases to match the prices offered by the subject imports, or risk losing sales to the subject imports.¹⁶² Therefore, the Commission found that subject imports from Vietnam were likely to have significant price effects if the order were revoked.¹⁶³

4. The Current Review

As stated above, we find at least a moderate degree of substitutability between the domestic like product and subject imports, and that price continues to be an important factor in purchasing decisions.

The Commission collected quarterly pricing data for four frozen fish fillet products.¹⁶⁴ Nine U.S. producers and two importers provided usable pricing data accounting for over 75

¹⁵⁷ *First Review Determination*, USITC Pub. 4083 at 17.

¹⁵⁸ *First Review Determination*, USITC Pub. 4083 at 18.

¹⁵⁹ *Second Review Determination*, USITC Pub. 4498 at 16.

¹⁶⁰ *Second Review Determination*, USITC Pub. 4498 at 16.

¹⁶¹ *Second Review Determination*, USITC Pub. 4498 at 16.

¹⁶² *Second Review Determination*, USITC Pub. 4498 at 16.

¹⁶³ *Second Review Determination*, USITC Pub. 4498 at 16.

¹⁶⁴ CR/PR at V-4. The four pricing products for which data were collected were:

Product 1.-- 2 to 3 ounce frozen fillets, not breaded or marinated, in 15 lb. to 22 lb. boxes.

Product 2.-- Over 3 ounce to 5 ounce frozen fillets, not breaded or marinated, in 15 lb. to 22 lb. boxes.

Product 3.-- Over 5 ounce to 7 ounce frozen fillets, not breaded or marinated, in 15 lb. to 22 lb. boxes.

Product 4.-- Over 7 ounce to 9 ounce frozen fillets, not breaded or marinated, in 15 lb. to 22 lb. boxes. *Id.*

percent of U.S. producers' shipments of the domestic like product and *** percent of the responding importers' U.S. shipments of subject imports in 2019.¹⁶⁵

Subject imports undersold the domestic like product in all 48 quarterly comparisons with underselling margins ranging from *** and *** percent.¹⁶⁶ Additionally, the domestic producers' prices for all four pricing products were lower in the first quarter of 2020 than in the first quarter of 2017, while importers' prices for two of the four pricing products showed declines over the same period.¹⁶⁷

Given the pervasive underselling during the period of review and the significant underselling in the original investigation, and our finding of at least a moderate degree of substitutability between subject imports and the domestic like product, we find that there would likely be significant underselling if the antidumping duty order were revoked. Because of the importance of price in purchasing decisions, this underselling in turn would likely cause the domestic industry to reduce its prices or forego price increases, or risk losing sales and market share to subject imports, as the Commission found to have occurred in the original investigation.

We therefore conclude that if the order were revoked, the likely significant volume of subject imports would likely undersell the domestic like product to a significant degree and would also have likely significant price-depressing or -suppressing effects.

E. Likely Impact

1. The Original Investigation

In the original investigation, the Commission found that that the domestic industry expanded its capacity over the POI, but by an amount that was less than the increase in apparent U.S. consumption.¹⁶⁸ The Commission found that the domestic industry's capacity utilization decreased as the volume of subject imports increased significantly, and that the industry's sales were significantly constrained despite the growth in demand.¹⁶⁹ Due to the significant growth in subject import volume, the domestic industry's share of the U.S. market declined by 10.6 percentage points from 2000 to 2002 despite increased shipments.¹⁷⁰

¹⁶⁵ CR/PR at V-5.

¹⁶⁶ CR/PR at Table V-8.

¹⁶⁷ CR/PR at Table V-7.

¹⁶⁸ *Original Determination*, USITC Pub. 3617 at 17.

¹⁶⁹ *Original Determination*, USITC Pub. 3617 at 18.

¹⁷⁰ *Original Determination*, USITC Pub. 3617 at 18.

The domestic industry's employment levels also decreased between 2000 and 2002.¹⁷¹ The industry's profitability declined from 2000 to 2002 as it was unable to lower costs sufficiently to compensate for declining prices.¹⁷² Based on significant declines in many of the performance indicators of the domestic industry, the Commission found that the increasing volumes of subject imports had a significant impact on the domestic industry.¹⁷³

2. The First Review

In the first review, the Commission found that despite relatively strong demand for certain frozen fish fillets, the industry's capacity, production, capacity utilization, and market share all declined.¹⁷⁴ U.S. shipments of the domestic like product declined overall as well, although the value of the domestic industry's sales increased as its prices increased.¹⁷⁵ The domestic industry's production and related workers and hours worked fluctuated, but decreased overall during the period examined.¹⁷⁶

The Commission also found that the domestic industry's profitability suffered during the review period.¹⁷⁷ The industry reported its greatest operating income of \$16.1 million in 2003, the first year of the review period.¹⁷⁸ Its operating income subsequently declined to \$574,000 in 2007 and was \$3.6 million in 2008.¹⁷⁹ The domestic industry's operating income as a ratio to net sales fell from 6.2 percent in 2003 to 1.2 percent in 2008.¹⁸⁰ The industry's capital expenditures fell during the period examined as well, from \$5.3 million in 2003 to \$2.2 million in 2008.¹⁸¹

The Commission also observed that raw material costs increased during the period examined, as the industry's primary input, live catfish, increased in price due to higher feed costs.¹⁸² The industry had difficulty reducing its costs because raw materials were such a large cost component.¹⁸³ The Commission further observed that catfish farmers were reducing their

¹⁷¹ *Original Determination*, USITC Pub. 3617 at 18.

¹⁷² *Original Determination*, USITC Pub. 3617 at 18.

¹⁷³ *Original Determination*, USITC Pub. 3617 at 18-19.

¹⁷⁴ *First Review Determination*, USITC Pub. 4083 at 19.

¹⁷⁵ *First Review Determination*, USITC Pub. 4083 at 19.

¹⁷⁶ *First Review Determination*, USITC Pub. 4083 at 19.

¹⁷⁷ *First Review Determination*, USITC Pub. 4083 at 20.

¹⁷⁸ *First Review Determination*, USITC Pub. 4083 at 20.

¹⁷⁹ *First Review Determination*, USITC Pub. 4083 at 20.

¹⁸⁰ *First Review Determination*, USITC Pub. 4083 at 20.

¹⁸¹ *First Review Determination*, USITC Pub. 4083 at 20.

¹⁸² *First Review Determination*, USITC Pub. 4083 at 20.

¹⁸³ *First Review Determination*, USITC Pub. 4083 at 20.

catfish production due to low prices for catfish relative to production costs and that this reduced the supply of live catfish available to processors.¹⁸⁴ Given the decline in the industry's financial and trade indicators as well as the other difficulties facing the industry, the Commission found that the industry was vulnerable to the effects of the subject imports if the order were revoked.¹⁸⁵

The Commission also considered the growing presence of nonsubject imports in the U.S. market, with China being by far the largest source of nonsubject imports.¹⁸⁶ The Commission found, however, that the Chinese industry was not focused on export-led growth as was the Vietnamese industry: less than 5 percent of Chinese aquaculture production was exported and the Chinese catfish industry was significantly smaller than the subject industry in Vietnam.¹⁸⁷ The Commission also noted that the AUVs of nonsubject imports were substantially higher than the AUVs for subject imports during all years of the review period, indicating that subject imports would likely be priced more aggressively than nonsubject imports if the order were revoked.¹⁸⁸ Thus, the Commission found that subject imports were likely to have a significant impact upon the domestic industry if the order were revoked, notwithstanding the growing presence of nonsubject imports in the U.S. market.¹⁸⁹

The Commission found that, in the event of revocation, low-priced subject imports would likely increase in absolute terms and would gain market share at the expense of the domestic industry, would undersell significantly the domestic like product, and would depress and/or suppress prices for the domestic like product.¹⁹⁰ Accordingly, the Commission found that revocation of the order would likely have a significant impact on the domestic industry's production, shipments, sales, market share, employment, and profits.¹⁹¹

3. The Second Review

In the expedited second review, the Commission concluded that the limited record was insufficient for it to make a finding as to whether the domestic industry was vulnerable to the

¹⁸⁴ *First Review Determination*, USITC Pub. 4083 at 20.

¹⁸⁵ *First Review Determination*, USITC Pub. 4083 at 20.

¹⁸⁶ *First Review Determination*, USITC Pub. 4083 at 20.

¹⁸⁷ *First Review Determination*, USITC Pub. 4083 at 20.

¹⁸⁸ *First Review Determination*, USITC Pub. 4083 at 20.

¹⁸⁹ *First Review Determination*, USITC Pub. 4083 at 20.

¹⁹⁰ *First Review Determination*, USITC Pub. 4083 at 20.

¹⁹¹ *First Review Determination*, USITC Pub. 4083 at 20-21.

continuation or recurrence of material injury in the event of the revocation of the order.¹⁹² However, based on the information on the record, the Commission found that should the order be revoked, the likely significant volume and price effects of the subject imports would likely have a significant impact on the production, shipments, sales, market share, and revenues of the domestic industry.¹⁹³ The Commission found that these declines would likely cause declines in the domestic industry's financial performance.¹⁹⁴

In its non-attribution analysis, the Commission acknowledged that although nonsubject imports had increased their market share since the order was imposed, they accounted for a smaller share of apparent U.S. consumption than they did in the first review.¹⁹⁵ Moreover, AUVs for nonsubject imports were higher than AUVs for subject imports.¹⁹⁶ The Commission found that upon revocation, the significant volume of subject imports would again likely take market share from both the domestic industry and nonsubject imports and would have independent adverse price effects on the domestic industry.¹⁹⁷ Accordingly, the Commission concluded that, if the order were revoked, subject imports would likely have a significant impact on the domestic industry within a reasonably foreseeable time.¹⁹⁸

4. The Current Review

During the period of review, the domestic industry's capacity rose from 113.6 million pounds in 2017 to 116.0 million pounds in 2018, and fell to 113.6 million pounds in 2019.¹⁹⁹ The domestic industry's production increased from 58.8 million pounds in 2017 to 63.4 million pounds in 2018 and 2019.²⁰⁰ Capacity utilization increased from 51.7 percent in 2017 to 54.6 percent in 2018 and 55.8 percent in 2019.²⁰¹ The quantity of the domestic industry's U.S. shipments rose from 57.7 million pounds in 2017 to 63.4 million pounds in 2018 and fell to 61.5

¹⁹² *Second Review Determination*, USITC Pub. 4498 at 18-19.

¹⁹³ *Second Review Determination*, USITC Pub. 4498 at 19.

¹⁹⁴ *Second Review Determination*, USITC Pub. 4498 at 19.

¹⁹⁵ *Second Review Determination*, USITC Pub. 4498 at 19.

¹⁹⁶ *Second Review Determination*, USITC Pub. 4498 at 19.

¹⁹⁷ *Second Review Determination*, USITC Pub. 4498 at 19.

¹⁹⁸ *Second Review Determination*, USITC Pub. 4498 at 19.

¹⁹⁹ CR/PR at Table III-2. The domestic industry's capacity was 29.1 million pounds in interim 2019 and 26.0 million pounds in interim 2020. *Id.*

²⁰⁰ CR/PR at Table III-2. The domestic industry's production was 16.1 million pounds in interim 2019 and 15.8 million pounds in interim 2020. *Id.*

²⁰¹ CR/PR at Table III-2. The domestic industry's capacity utilization rate was 55.2 percent in interim 2019 and 60.8 percent in interim 2020. *Id.*

million pounds in 2019.²⁰² The domestic industry's share of apparent U.S. consumption increased from 19.2 percent in 2017 to 19.3 percent in 2018 and 23.9 percent in 2019.²⁰³ Inventories declined from 5.6 million pounds in 2017 to 5.2 million pounds in 2018, and then increased to 6.9 million pounds in 2019.²⁰⁴

The domestic industry's employment-related indicators were generally stable during the period of review. The number of production related workers ("PRWs") fell from 2,406 in 2017 to 2,384 in 2018 and rose to 2,422 in 2019.²⁰⁵ Total hours worked rose from 4.4 million hours in 2017 to 4.5 million hours in 2018 and fell to 4.4 million hours in 2019.²⁰⁶ Wages paid increased from \$51.0 million in 2017 to \$54.4 million in 2018 and fell to \$45.5 million in 2019.²⁰⁷ Productivity as measured in pounds per thousand hours worked increased from 13.5 in 2017 to 14.1 in 2018 and 14.4 in 2019.²⁰⁸

The domestic industry's sales revenues increased from \$239.8 million in 2017 to \$244.1 million in 2018 and \$252.3 million in 2019.²⁰⁹ The industry's cost of goods sold ("COGS") increased from \$198.1 million in 2017 to \$200.3 million in 2018, and \$212.1 million in 2019.²¹⁰ The ratio of COGS to net sales fell from 82.6 percent in 2017 to 82.0 percent in 2018 and increased to 84.1 percent in 2019.²¹¹ The domestic industry's gross profits increased from \$41.6 million in 2017 to \$43.8 million in 2018 and fell to \$40.1 million in 2019.²¹² Operating

²⁰² CR/PR at Table III-4. The domestic industry's U.S. shipments were 17.3 million pounds in interim 2019 and 15.9 million pounds in interim 2020. *Id.*

²⁰³ CR/PR at Table I-8. The domestic industry's share of the U.S. market was 21.9 percent in interim 2019 and 23.3 percent in interim 2020. *Id.*

²⁰⁴ CR/PR at Table III-5. Inventories were 4.1 million pounds in interim 2019 and 6.8 million pounds in interim 2020. *Id.*

²⁰⁵ CR/PR at Table III-6. The number of PRWs was 2,357 workers in interim 2019 and 2,204 in interim 2020. *Id.*

²⁰⁶ CR/PR at Table III-6. Hours worked were 1.1 million hours in interim 2019 and 980,000 hours in interim 2020. *Id.*

²⁰⁷ CR/PR at Table III-6. Wages paid were \$13.0 million in interim 2019 and \$11.5 million in interim 2020. *Id.*

²⁰⁸ CR/PR at Table III-6. Productivity per thousand hours was 14.4 pounds in interim 2019 and 16.1 pounds in interim 2020. *Id.*

²⁰⁹ CR/PR at Table III-7. Sales revenues were \$16.3 million in interim 2019 and \$16.1 million in interim 2020. *Id.*

²¹⁰ CR/PR at Table III-7. COGS was \$56.0 million in interim 2019 and \$60.5 million in interim 2020. *Id.*

²¹¹ CR/PR at Table III-7. The ratio of COGS to net sales was 80.6 percent in interim 2019 and 86.9 percent in interim 2020. *Id.*

²¹² CR/PR at Table III-7. Gross profit was \$13.5 million in interim 2019 and \$9.2 million in interim 2020. *Id.*

income decreased from \$20.5 million in 2017 to \$19.7 million in 2018 and \$16.0 million in 2019.²¹³ The ratio of operating income to net sales decreased from 8.5 percent in 2017 to 8.1 percent in 2018 and 6.3 percent in 2019.²¹⁴ Net income fell from \$28.5 million in 2017 to \$23.5 million in 2018, and rose to \$26.0 million in 2019.²¹⁵ Capital expenditures declined from \$5.3 million in 2017 to \$3.5 million in 2018, and increased to \$7.7 million in 2019.²¹⁶

Based on the record we find that the industry is vulnerable to the continuation or recurrence of material injury. The industry's market share increased during the period for which data were collected but remains a fraction of earlier levels, having lost a substantial amount of market share to subject imports since the original investigation; the industry operated at relatively low capacity utilization levels during the period of review.²¹⁷ Significantly, the industry's prices declined from 2017 to 2019, its ratio of COGS to net sales deteriorated since 2018, indicating it is facing a cost-price squeeze, and its operating performance has declined notably since 2018.²¹⁸ Further, Domestic Producers indicate that the COVID-19 pandemic weakened demand for frozen fish fillets in 2020 and that future demand prospects are uncertain.²¹⁹

We find that if the antidumping duty order were revoked, the likely significant volume of subject imports would likely significantly undersell the domestic like product, and likely cause the domestic industry to lose sales or reduce prices leading to lost revenue. With the order in place, subject imports have maintained significant volumes in the U.S. market, accounting for over 70 percent of apparent U.S. consumption throughout the period of review, and have continued to undersell the domestic like product. Removing the restraint of the order likely would result in an increase in subject import volume and/or more aggressive pricing, which

²¹³ CR/PR at Table III-7. Operating income was \$7.2 million in interim 2019 and \$3.1 million in interim 2020. *Id.*

²¹⁴ CR/PR at Table III-7. The operating margin was 10.4 percent in interim 2019 and 4.4 percent in interim 2020. *Id.*

²¹⁵ CR/PR at Table III-7. Net income was \$12.3 million in interim 2019 and \$2.2 million in interim 2020. *Id.*

²¹⁶ CR/PR at Table III-11. Capital expenditures were \$681,000 in interim 2019 and \$1.4 million in interim 2020. *Id.*

The domestic industry *** research and development costs during the period of review. CR/PR at III-26, Table III-11.

²¹⁷ CR/PR at Tables I-8, III-3, and C-8. The industry's capacity utilization in 2019 was appreciably lower than it was in 2002, 2008, or 2013. CR/PR at Table I-1.

²¹⁸ CR/PR at Tables III-7 and V-7.

²¹⁹ CR/PR at Table II-4; Domestic Producers' Posthearing Brief at 39.

would likely result in adverse effects on the domestic industry's production, shipments, market share, employment indicators, and financial performance within a reasonably foreseeable time.

We have also considered the role of factors other than subject imports, including the presence of nonsubject imports, so as not to attribute injury from other factors to the subject imports. While nonsubject imports have increased their market share since the original investigation,²²⁰ they accounted for a similarly small share of apparent U.S. consumption during the current review period, 4.9 percent, as they did in 2013.²²¹ Given that the domestic like product is at least moderately substitutable with the subject imports, and the fact that the domestic industry supplies over six times more frozen fish fillets to the U.S. market than nonsubject imports, the likely significant volume of subject imports upon revocation would likely take appreciable market share from the domestic industry. Further, likely price effects attributable to the subject imports are likely to be distinguishable from any due to nonsubject imports given the significantly larger market presence of the subject imports.²²² Therefore, the subject imports are likely to have adverse effects on the domestic industry, distinct from any adverse effects nonsubject imports may have on the domestic industry, in the event of revocation.

Accordingly, we conclude that revocation of the antidumping duty order on frozen fish fillets from Vietnam would likely have a significant impact on the domestic industry within a reasonably foreseeable time.

IV. Conclusion

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

²²⁰ *Original Determination*, USITC Pub. 3617 at 10.

²²¹ CR/PR at Table I-8 and C-7. Nonsubject imports' market share was 4.7 percent in 2013. *Second Review Determination*, USITC Pub. 4498 at Table I-4.

²²² Even with the order in place, AUVs of subject imports were lower than those of basa, tra, and other species from nonsubject sources. CR/PR at Table IV-1. We recognize that differences in AUVs may reflect differences in product mix.

Part I: Introduction

Background

On October 1, 2019, the U.S. International Trade Commission (“Commission” or “USITC”) 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 the antidumping duty order on certain frozen fish fillets (“frozen fish fillets”) from Vietnam would likely lead to the continuation or recurrence of material injury to a domestic industry.^{2 3} On January 6, 2020, the Commission determined that it would conduct a full review pursuant to section 751(c)(5) of the Act.⁴ The following tabulation presents information relating to the background and schedule of this proceeding:⁵

Effective date	Action
August 12, 2003	Commerce’s antidumping duty order on frozen fish fillets from Vietnam (68 FR 47909)
October 1, 2019	Commission’s institution of five-year reviews (84 FR 52122)
October 1, 2019	Commerce’s initiation of five-year reviews (84 FR 52067)
January 6, 2020	Commission’s determinations to conduct full five-year reviews (85 FR 3417, January 21, 2020)
February 5, 2020	Commerce’s final results of expedited five-year reviews of the antidumping duty order (85 FR 6500)
May 11, 2020	Commission’s scheduling of the reviews (85 FR 28981, May 14, 2020)
September 15, 2020	Commission’s hearing – Cancelled (85 FR 57882, September 8, 2020)
October 29, 2020	Commission’s vote
November 19, 2020	Commission’s determination and views

¹ 19 U.S.C. 1675(c).

² 84 FR 52122, October 1, 2019. All interested parties were requested to respond to this notice by submitting the information requested by the Commission.

³ In accordance with section 751(c) of the Act, the U.S. Department of Commerce (“Commerce”) published a notice of initiation of five-year reviews of the subject antidumping and countervailing duty orders. 84 FR 52067, October 1, 2019.

⁴ 85 FR 3417, January 21, 2020. The Commission found that both the domestic and respondent interested party group responses to its notice of institution were adequate.

⁵ The Commission’s notice of institution, notice to conduct full reviews, scheduling notice, and statement on adequacy are referenced in appendix A and may also be found at the Commission’s web site (internet address www.usitc.gov). Commissioners’ votes on whether to conduct expedited or full reviews may also be found at the web site. Appendix B presents the domestic interested parties’ request to cancel the hearing.

The original investigation

The original investigations resulted from petitions filed on June 28, 2002 by the Catfish Farmers of America (“CFA”), and by individual catfish processors,⁶ alleging that an industry in the United States is materially injured and threatened with material injury by reason of less-than-fair-value (“LTFV”) imports of frozen fish fillets from Vietnam. Following notification of a final determination by Commerce that imports of frozen fish fillets from Vietnam were being sold at LTFV, the Commission determined on August 6, 2003 that a domestic industry was materially injured by reason of LTFV imports of frozen fish fillets from Vietnam.⁷ Commerce published the antidumping duty order on frozen fish fillets from Vietnam on August 12, 2003.⁸

The first five-year review

In June 2009, the Commission completed a full five-year review of the subject order and determined that revocation of the antidumping duty order on frozen fish fillets from Vietnam would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.⁹ Following affirmative determinations in the first five-year reviews by Commerce and the Commission,¹⁰ Commerce issued a continuation of the antidumping duty order on imports of frozen fish fillets from Vietnam, effective July 10, 2009.¹¹

The second five-year review

In October 2014, the Commission completed an expedited review of the subject order and determined that revocation of the antidumping order on frozen fish fillets from Vietnam would be likely to lead to continuation or recurrence of material injury to an industry in the

⁶ America’s Catch, Itta Bena, Mississippi; ConFish, Isola, Mississippi; Delta Pride, Indianola, Mississippi; Harvest Select, Uniontown, Alabama; Heartland Catfish, Itta Bena, Mississippi; Pride of the Pond, Tunica, Mississippi; Simmons, Yazoo City, Mississippi; and Southern Pride, Greensboro, Alabama.

⁷ 68 FR 47608, August 11, 2003. The Commission also found that critical circumstances did not exist with respect to imports of the subject product from Vietnam. Certain Frozen Fish Fillets from Vietnam, Inv. No. 731-TA-1012 (Final), USITC Publication 3617, August 2003 (“Original publication”), p. 1.

⁸ 68 FR 47909, August 12, 2003.

⁹ Certain Frozen Fish Fillets from Vietnam, Inv. No. 731-TA-1012 (Review), USITC Publication 4083, June 2009 (“First review publication”), p. 1.

¹⁰ 74 FR 5819, February 2, 2009, 74 FR 31975, July 6, 2009 .

¹¹ 74 FR 33208, July 10, 2009.

United States within a reasonably foreseeable time.¹² Following affirmative determinations in the first five-year reviews by Commerce and the Commission,¹³ Commerce issued a continuation of the antidumping duty order on imports of frozen fish fillets from Vietnam, effective November 28, 2014.¹⁴

Previous and related investigations

The Commission has not conducted any previous investigations on either catfish or on basa and tra.

Summary data

Table I-1 presents a summary of data from the original investigations, prior reviews, and the current full five-year review.¹⁵

¹² Certain Frozen Fish Fillets from Vietnam, Inv. No. 731-TA-1012 (Second Review), USITC Publication 4498, October 2014 (“Second review publication”), p. 1.

¹³ 79 FR 60452, October 7, 2014, 79 FR 65423, November 4, 2014.

¹⁴ 79 FR 70853, November 28, 2014.

¹⁵ The data for the domestic product include frozen catfish fillets. Data for the subject Vietnamese merchandise include frozen basa or tra fillets. Data for nonsubject fillets include frozen catfish, basa, or tra fillets.

Table I-1
Frozen fish fillets: Comparative data from the original investigation and subsequent reviews,
2002, 2008, 2013, 2019

Item	Original investigation	First review	Second review	Third review
	2002	2008	2013	2019
Quantity (1,000 pounds)				
U.S. consumption quantity	184,164	212,137	***	257,410
Share of quantity (percent)				
Share of U.S. consumption: U.S. producers' share	80.1	54.1	***	23.9
U.S. importers' share: Vietnam	19.6	25.1	***	71.7
Nonsubject sources	0.3	20.8	***	4.4
All import sources	19.9	45.9	***	76.1
Value (1,000 dollars)				
U.S. consumption	385,988	487,039	***	629,689
Share of value (percent)				
Share of U.S. consumption: U.S. producers' share	86.0	67.9	***	41.4
U.S. importers' share: Vietnam	13.8	16.1	***	53.7
Nonsubject sources	0.2	16.0	***	4.9
All import sources	14.0	32.1	***	58.6
Quantity (1,000 pounds); Value (1,000 dollars); and Unit Value (dollars per pound)				
U.S. imports.-- Vietnam				
Quantity	36,046	53,305	224,303	184,616
Value	53,348	78,559	331,832	338,284
Unit value	\$1.48	\$1.47	\$1.48	\$1.83
Nonsubject sources:				
Quantity	586	44,129	13,480	11,322
Value	688	77,823	25,147	30,977
Unit value	\$1.17	\$1.76	\$1.87	\$2.74
All import sources:				
Quantity	36,632	97,434	237,783	195,937
Value	54,036	156,382	356,980	369,262
Unit value	\$1.48	\$1.61	\$1.50	\$1.88

Table continued on next page.

Table I-1—Continued
Frozen fish fillets: Comparative data from the original investigation and subsequent reviews,
2002, 2008, 2013, 2019

Item	Original investigation	First review	Second review	Third review
	2002	2008	2013	2019
	Quantity (1,000 pounds); Value (1,000 dollars); and Unit Value (dollars per pound)			
U.S. industry:				
Capacity (quantity)	169,888	137,129	***	113,566
Production (quantity)	108,469	97,068	***	63,353
Capacity utilization (percent)	63.8	70.8	***	55.8
U.S. shipments:				
Quantity	110,909	94,572	***	61,472
Value	249,107	277,076	***	260,427
Unit value	\$2.25	\$2.93	***	\$4.24
Ending inventory	8,195	11,837	***	6,922
Inventories/total shipments	7.4	12.5	***	11.3
Production workers	2,918	2,589	***	2,422
Hours worked (1,000)	5,373	4,684	***	4,394
Wages paid (1,000 dollars)	41,684	38,994	***	45,521
Hourly wages	\$7.76	\$8.32	***	\$10.36
Productivity (pounds per hour)	20.2	20.7	***	14.4
Financial data:				
Net sales:				
Quantity	97,918	99,273	***	59,468
Value	223,589	288,972	***	252,250
Unit value	\$2.28	\$2.91	***	\$4.24
Cost of goods sold	198,507	257,065	***	212,120
Gross profit or (loss)	25,082	31,907	***	40,130
SG&A expense	24,860	28,332	***	24,135
Operating income or (loss)	222	3,575	***	15,995
Unit COGS	\$2.03	\$2.59	***	\$3.57
Unit operating income	\$0.00	\$0.04	***	\$0.27
COGS/ Sales (percent)	88.8	89.0	***	84.1
Operating income or (loss)/ Sales (percent)	0.1	1.2	***	6.3

Note. Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

Note. U.S. industry capacity utilization from the second review in 2013 was published in memorandum INV-MM-095 (October 1, 2014) as ***, the accurate capacity utilization based on the reported capacity and production figures reported is *** percent.

Source: Office of Investigations memorandum INV-AA-088 (July 7, 2003), memorandum INV-GG-046 (June 1, 2009), memorandum INV-MM-095 (October 1, 2014), official import statistics, and data submitted in response to Commission questionnaires.

Figure I-1
Frozen fish fillets: U.S. producers' U.S. shipments and U.S. importers' imports, 2000-2019

* * * * *

Note: The second expedited review only collected U.S. producers' U.S. shipments data for 2013, so the figure above does not contain U.S. producers' U.S. shipments for 2009-12.

Source: Office of Investigations memorandum INV-AA-088 (July 7, 2003), memorandum INV-GG-046 (June 1, 2009), memorandum INV-MM-095 (October 1, 2014), official import statistics, and data submitted in response to Commission questionnaires.

Statutory criteria

Section 751(c) of the Act requires Commerce and the Commission to conduct a review no later than five years after the issuance of an antidumping or countervailing duty order or the suspension of an investigation to determine whether revocation of the order or termination of the suspended investigation “would be likely to lead to continuation or recurrence of dumping or a countervailable subsidy (as the case may be) and of material injury.”

Section 752(a) of the Act provides that in making its determination of likelihood of continuation or recurrence of material injury--

(1) IN GENERAL.-- . . . the Commission shall determine whether revocation of an order, or termination of a suspended investigation, would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. The Commission shall consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated. The Commission shall take into account—

(A) its prior injury determinations, including the volume, price effect, and impact of imports of the subject merchandise on the industry before the order was issued or the suspension agreement was accepted,

(B) whether any improvement in the state of the industry is related to the order or the suspension agreement,

(C) whether the industry is vulnerable to material injury if the order is revoked or the suspension agreement is terminated, and

(D) in an antidumping proceeding . . ., (Commerce's findings) regarding duty absorption . . .

(2) VOLUME.--In evaluating the likely volume of imports of the subject merchandise if the order is revoked or the suspended investigation is terminated, the Commission shall consider whether the likely volume of imports of the subject merchandise would be significant if the order is revoked or the suspended investigation is terminated, either in absolute terms or relative to production or consumption in the United States. In so doing, the Commission shall consider all relevant economic factors, including--

(A) any likely increase in production capacity or existing unused production capacity in the exporting country,

(B) existing inventories of the subject merchandise, or likely increases in inventories,

(C) the existence of barriers to the importation of such merchandise into countries other than the United States, and

(D) 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.

(3) PRICE.--In evaluating the likely price effects of imports of the subject merchandise if the order is revoked or the suspended investigation is terminated, the Commission shall consider whether--

(A) there is likely to be significant price underselling by imports of the subject merchandise as compared to domestic like products, and

(B) imports of the subject merchandise are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of domestic like products.

(4) IMPACT ON THE INDUSTRY.--In evaluating the likely impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated, the Commission shall consider all relevant economic factors which are likely to have a bearing on the state of the industry in the United States, including, but not limited to--

- (A) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity,*
- (B) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment, and*
- (C) 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.*

The Commission shall evaluate all such relevant economic factors . . . within the context of the business cycle and the conditions of competition that are distinctive to the affected industry.

Section 752(a)(6) of the Act states further that in making its determination, “the Commission may consider the magnitude of the margin of dumping or the magnitude of the net countervailable subsidy. If a countervailable subsidy is involved, the Commission shall consider information regarding the nature of the countervailable subsidy and whether the subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement.”

Organization of report

Information obtained during the course of the reviews that relates to the statutory criteria is presented throughout this report. A summary of trade and financial data for frozen fish fillets as collected in the reviews is presented in appendix C. U.S. industry data are based on the questionnaire responses of nine U.S. producers of frozen catfish fillets that are believed to have accounted for vast majority of domestic production of frozen fish fillets in 2019. U.S. import data and related information are based on Commerce’s official import statistics. Foreign industry data and related information are based on official exports statistics under HS subheading 0304.62 as reported in the Global Trade Atlas as the Commission did not receive any completed questionnaire responses from Vietnamese basa and tra processors. Responses by U.S. producers, importers, and purchasers of frozen fish fillets to a series of questions concerning the significance of the existing antidumping and countervailing duty orders and the likely effects of revocation of such orders are presented in appendix D.

Commerce's reviews¹⁶

Administrative reviews

Commerce has completed 15 administrative reviews of the outstanding antidumping duty order on frozen fish fillets from Vietnam¹⁷ and has initiated a sixteenth review.¹⁸ The results of the administrative reviews are shown in table I-2.

Table I-2
Frozen fish fillets: Administrative reviews of the antidumping duty order for Vietnam¹⁹

Date results published	Period of review	Producer or exporter	Weighted-average margin (percent)
March 21, 2006; 71 FR 14170	1/31/2003 – 7/31/2004	Vinh Hoan	6.81
		CATACO	80.88
		Vietnam-Wide Entity ¹	63.88
March 21, 2007; 72 FR 13242	8/1/2004 – 7/31/2005	QVD	15.01 ³
		Cataco	80.88
		Vietnam-Wide Entity ²	63.88
March 24, 2008; 73 FR 15479	8/1/2005 – 7/31/2006	QVD	0.00
		ESS	0.00
		Lian Heng with Certification	0.00
		Lian Heng without Certification	63.88
		CATACO	80.88 ⁴
		Vietnam-Wide Entity ⁴	63.88
April 17, 2009; 74 FR 17816 ⁵	8/1/2006 – 7/31/2007	QVD ⁶	0.52
		Agifish ⁷	0.52
		Anvifish ⁷	0.52
		Vietnam-Wide Entity ⁸	63.88

Table continued on next page.

¹⁶ Commerce has not conducted any changed circumstances review or scope rulings since the completion of the last five-year review. In addition, Commerce has not issued any duty absorption findings, any company revocations since the imposition of the order.

¹⁷ For previously reviewed or investigated companies not included in an administrative review, the cash deposit rate continues to be the company-specific rate published for the most recent period.

¹⁸ 84 FR 53411, October 7, 2019.

¹⁹ In the third administrative review of this order, Commerce determined that it would calculate per-unit assessment and cash deposit rates for all future reviews. See Certain Frozen Fish Fillets from the Socialist Republic of Vietnam: Final Results of Antidumping Duty Administrative Review and Partial Rescission, 73 FR 15479 (March 24, 2008).

Table I-2—Continued

Frozen fish fillets: Administrative reviews of the antidumping duty order for Vietnam

Date results published	Period of review	Producer or exporter	Weighted-average margin (dollars per kilogram)
March 17, 2010; 75 FR 12726	8/1/2007 – 7/31/2008	QVD	0.00
		Vinh Hoan	0.00
		SAMEFICO	0.00
		Cadovimex II	0.00
		Agifish ⁹	0.02
		East Sea Joint Venture Company (“ESS JVC”)	0.02
		Vietnam-Wide Entity ¹⁰	2.11
March 22, 2011; 76 FR 15941	8/1/2008 – 7/31/2009	Vinh Hoan	0.00
		Vinh Quang	0.00
		Agifish	0.02
		ESS LLC	0.02
		South Vina	0.02
		CL-Fish ¹¹	0.00
March 14, 2012; 77 FR 15039	8/1/2009 – 7/31/2010	Vinh Hoan ¹²	0.00
		QVD	0.03
		Anvifish Co., Ltd	0.03
		Anvifish JSC	0.03
		Acomfish	0.03
		Bien Dong Seafood	0.03
		Binh An	0.03
		CASEAMEX	0.03
		ESS LLC	0.03
		East Sea Seafoods Joint Venture Co., Ltd	0.03
		Hiep Thanh	0.03
		South Vina	0.03
		Vinh Quang	0.03
		Vietnam-Wide Rate	2.11
May 20, 2013; 78 FR 29323	8/1/2010 – 7/31/2011	Vinh Hoan Corporation ¹³	0.19 ¹⁷
		Anvifish Joint Stock Company ¹⁴	2.39 ¹⁷
		An Giang Agriculture and Food Import-Export Joint Stock Company	1.29 ¹⁷
		Asia Commerce Fisheries Joint Stock Company	1.29 ¹⁷
		Binh An Seafood Joint Stock Company	1.29 ¹⁷
		Cadovimex II Seafood Import-Export and Processing Joint Stock Company	1.29 ¹⁷
		Hiep Thanh Seafood Joint Stock Company	1.29 ¹⁷
		Hung Vuong Corporation	1.29 ¹⁷
		Nam Viet Corporation	1.29 ¹⁷

Table continued on next page.

Table I-2—Continued

Frozen fish fillets: Administrative reviews of the antidumping duty order for Vietnam

Date results published	Period of review	Producer or exporter	Weighted-average margin (dollars per kilogram)
May 20, 2013; 78 FR 29323	8/1/2010 – 7/31/2011	NTSF Seafoods Joint Stock Company	1.29 ¹⁷
		QVD Food Company Ltd. ¹⁵	1.29 ¹⁷
		Saigon Mekong Fishery Co., Ltd	1.29 ¹⁷
		Southern Fisheries Industries Company Ltd	1.29 ¹⁷
		Vinh Quang Fisheries Corporation	1.29 ¹⁷
		Vietnam-Wide Rate ¹⁶	2.11
July 2, 2014; 79 FR 37714	8/1/2011 – 7/31/2012	Vinh Hoan Corporation ¹⁸	0.00 ²⁵
		Hung Vuong Group ¹⁹	1.20
		An My Fish Joint Stock Company	1.20 ²⁵
		Anvifish Joint Stock Company ²⁰	1.20 ²⁵
		Asia Commerce Fisheries Joint Stock Company	1.20 ²⁵
		Binh An Seafood Joint Stock Company	1.20 ²⁵
		Cadovimex II Seafood Import-Export and Processing Joint Stock Company	1.20 ²⁵
		Cantho Import-Export Seafood Joint Stock Company	1.20 ²⁵
		Cuu Long Fish Import-Export Corporation ²¹	1.20 ²⁵
		Cuu Long Fish Joint Stock Company	1.20 ²⁵
		East Sea Seafoods Limited Liability Company ²²	1.20 ²⁵
		Green Farms Seafood Joint Stock Company	1.20 ²⁵
		Hiep Thanh Seafood Joint Stock Company	1.20 ²⁵
		Hoa Phat Seafood Import-Export and Processing JSC	1.20 ²⁵
		International Development & Investment Corporation	1.20 ²⁵
		NTSF Seafoods Joint Stock Company	1.20 ²⁵
		QVD Food Company Ltd. ²³	1.20 ²⁵
		Saigon Mekong Fishery Co., Ltd.	1.20 ²⁵
		Seafood Joint Stock Company No.4 Branch Dongtam Fisheries Processing Company	1.20 ²⁵
		Southern Fishery Industries Company Ltd.	1.20 ²⁵
		Sunrise Corporation	1.20 ²⁵
		Thien Ma Seafood Co., Ltd.	1.20 ²⁵

Table continued on next page

Table I-2—Continued

Frozen fish fillets: Administrative reviews of the antidumping duty order for Vietnam

Date results published	Period of review	Producer or exporter	Weighted-average margin (dollars per kilogram)
July 2, 2014; 79 FR 37714	8/1/2011 – 7/31/2012	To Chau Joint Stock Company	1.20 ²⁵
		Viet Phu Food & Fish Corporation	1.20 ²⁵
		Vinh Quang Fisheries Corporation	1.20 ²⁵
		Vietnam-Wide Rate ²⁴	2.11
January 16, 2015; 80 FR 2394	8/1/2012 – 7/31/2013	Hung Vuong Group ²⁶	0.97
		An Giang Agriculture and Food Import-Export Joint Stock Company	(²⁹)
		Asia Commerce Fisheries Joint Stock Company	0.97
		Binh An Seafood Joint Stock Company	0.97
		Cadovimex II Seafood Import-Export and Processing Joint Stock Company	0.97
		C.P. Vietnam Corporation	0.97
		Cuu Long Fish Joint Stock Company	0.97
		Dai Thanh Seafoods Company Limited	0.97
		Fatifish Company Limited	0.97
		GODACO Seafood Joint Stock Company	0.97
		Golden Quality Seafood Corporation	(²⁹)
		Hiep Thanh Seafood Joint Stock Company	0.97
		Hoang Long Seafood Processing Company Limited	0.97
		Hoa Phat Seafood Import-Export and Processing J.S.C.	(²⁹)
		International Development and Investment Corporation	0.97
		Nam Viet Corporation	0.97
		Ngoc Ha Co., Ltd. Foods Processing and Trading	0.97
		NTSF Seafoods Joint Stock Company	0.97
		Quang Minh Seafood Company Limited	0.97
		QVD Food Company Ltd. ²⁷	0.97
		Saigon-Mekong Fishery Co., Ltd.	0.97
		Southern Fisheries Industries Company Ltd.	0.97
		TG Fishery Holdings Corporation	0.97

Table continued on next page

Table I-2—Continued

Frozen fish fillets: Administrative reviews of the antidumping duty order for Vietnam

Date results published	Period of review	Producer or exporter	Weighted-average margin (dollars per kilogram)
January 16, 2015; 80 FR 2394	8/1/2012 – 7/31/2013	Thien Ma Seafood Company Limited	0.97
		Thuan An Production Trading and Services Co., Ltd.	0.97
		To Chau Joint Stock Company	(29)
		Vinh Quang Fisheries Joint-Stock Company	0.97
		Vietnam-Wide Rate ²⁸	2.39
March 29, 2016; 81 FR 17435	8/1/2013 – 7/31/2014	Hung Vuong Group	0.41
		Thuan An Production Trading and Services Co., Ltd	0.97
		Basa Joint Stock Company	0.69
		Cadovimex II Seafood Import-Export and Processing Joint Stock Company	0.69
		Cafatex Corporation	0.69
		C.P. Vietnam Corporation	0.69
		Cuu Long Fish Joint Stock Company	0.69
		East Sea Seafoods LLC	0.69
		GODACO Seafood Joint Stock Company	0.69
		Green Farms Seafood Joint Stock Company	0.69
		Hoang Long Seafood Processing Company Limited	0.69
		Nam Viet Corporation	0.69
		NTSF Seafoods Joint Stock Company	0.69
		Seafood Joint Stock Company No. 4—Branch Dong Tam Fisheries Processing Company	0.69
		Viet Phu Foods and Fish Corporation	0.69
		Vinh Quang Fisheries Joint-Stock Company	0.69
		March 27, 2017; 82 FR 15181	8/1/2014 – 7/31/2015
GODACO Seafood Joint Stock Company	0.69		
Green Farms Seafood Joint Stock Company	0.69		
NTSF Seafoods Joint Stock Company	0.69		
Vietnam-Wide Entity ³⁰	2.39		

Table continued on next page

Table I-2—Continued

Frozen fish fillets: Administrative reviews of the antidumping duty order for Vietnam

Date results published	Period of review	Producer or exporter	Weighted-average margin (dollars per kilogram)
March 23, 2018; 83 FR 12717	8/1/2015 – 7/31/2016	GODACO Seafood Joint Stock Company	3.87 ³²
		Cadovimex II Seafood Import-Export and Processing Joint Stock Company ³³	7.74
		Can Tho Import-Export Joint Stock Company, aka CASEAMEX ³¹	3.87
		Cuu Long Fish Joint Stock Company ³¹	3.87
		Dai Thanh Seafoods Company Limited ³¹	3.87
		Green Farms Seafood Joint Stock Company ³¹	3.87
		Hoang Long Seafood Processing Co., Ltd. ³³	7.74
		Hung Vuong Group ³¹	3.87
		NTSF Seafoods Joint Stock Company ³¹	3.87
		Southern Fishery Industries Company, Ltd.	3.87
		Vinh Quang Fisheries Corporation ³¹	3.87
April 29, 2019; 84 FR 18007	8/1/2016 – 7/31/2017	Hung Vuong Group	3.87
		NTSF Seafoods Joint Stock Company	1.37
		C.P. Vietnam Corporation ³⁴	1.37
		Cuu Long Fish Joint Stock Company ³⁴	1.37
		Green Farms Seafood Joint Stock Company ³⁴	1.37
		Vinh Quang Fisheries Corporation ³⁴	1.37
April 29, 2020; 85 FR 23756	8/1/2017 – 7/31/2018	NTSF Seafoods Joint Stock Company (NTSF)	0.15
		Can Tho Import Export Seafood Joint Stock Company (Caseamex) ³⁵	0.15

Table continued on next page

Table I-2--Continued

Frozen fish fillets: Administrative reviews of the antidumping duty order for Vietnam

¹ The Vietnam-wide Entity includes Phan Quan.

² The Vietnam-wide Entity includes Cafatex, Mekonimex, Navico, Phan Quan, Afiex, ANTESCO, Anhaco, Binh Ding, and Vinh Long.

³ Amended May 1, 2007, 72 FR 23800.

⁴ Amended to correct ministerial errors made in the calculation of the antidumping duty margins for ESS, CATACO, and QVD, 73 FR 47885.

⁵ Amended Final Results (74 FR 11349) of the Fourth Antidumping Duty Administrative Review.

⁶ This rate is applicable to the QVD Single Entity which includes QVD, QVD Dong Thap, and Thuan Hung Co. Ltd.

⁷ For exporters subject to review that are determined to be eligible for separate-rate status, but were not selected as mandatory respondents, Commerce normally establishes a weighted-average margin based on an average of the rates it calculated for the mandatory respondents, excluding any rates that are zero, de minimis, or based entirely on facts available. In this review, there is only one such mandatory respondent, QVD. Accordingly, the rate calculated for QVD was applied as the rate for Agifish and Anvifish.

⁸ The Vietnam-wide Entity includes An Xuyen.

⁹ In this proceeding, there were two eligible separate-rate respondents, Agifish and ESS JVC, who were not selected as mandatory respondents. Accordingly, the rate calculated for Agifish and ESS JVC was the assigned non-de minimis per-unit rate of \$0.02 per kilogram that Agifish received in the most recently completed administrative review. See Notice of Amended Final Results of Antidumping Duty Administrative Review: Certain Frozen Fish Fillets from Vietnam ("4th AR Final"), 74 FR 17816.

¹⁰ Includes ESS LLC.

¹¹ CL-Fish is a new shipper review, aligned with, but not part of the administrative review.

¹² This rate is applicable to the Vinh Hoan Group which includes Vinh Hoan, Van Duc, and VD TG.

¹³ This rate is applicable to the Vinh Hoan Group, which includes Vinh Hoan, Van Duc Food Export Joint Company and Van Duc Tien Giang. In the sixth review of the order, Commerce found Vinh Hoan, Van Duc, and VDTG to be a single entity, 75 FR 56062, 56068. Because there had been no evidence submitted since that review which would call this determination into question, Commerce continued to find these companies to be part of a single entity and assigned this rate to the companies in the single entity.

¹⁴ Includes the trade name Anvifish Co., Ltd.

¹⁵ This rate is also applicable to QVD Dong Thap Food Co., Ltd. ("Dong Thap") and Thuan Hung Co., Ltd. ("THUFICO"). In the second review of this order, Commerce found QVD Food Company Limited, Dong Thap and THUFICO to be a single entity and, because there have been no changes to this determination since that administrative review, Commerce continued to find these companies to be part of a single entity and assigned this rate to the companies in the single entity.

¹⁶ The Vietnam-wide rate includes the following companies which are under review, but which did not submit a separate rate application or certification: Nam Viet Company Limited; East Sea Seafoods Joint Venture Co., Ltd.; and Vinh Hoan Company, Ltd.

¹⁷ Amended to correct ministerial errors in the Final Results of Antidumping Duty Administrative Review and New Shipper Reviews; 2010-2011, 78 FR 17350.

¹⁸ This rate is applicable to the Vinh Hoan Group which includes: Vinh Hoan, Van Duc, and VDTG. In the sixth administrative review of this order, Commerce found Vinh Hoan, Van Duc, and VDTG to be a single entity and, because there had been no changes to this determination since that administrative review, Commerce continued to find these companies to be part of a single entity and assigned this rate to the companies in the single entity.

¹⁹ This rate is applicable to the Hung Vuong Group, which includes: An Giang Fisheries Import and Export Joint Stock Company, Asia Pangasius Company Limited, Europe Joint Stock Company, Hung Vuong Joint Stock Company, Hung Vuong Mascato Company Limited, Hung Vuong—Vinh Long Co., Ltd., and Hung Vuong—Sa Dec Co., Ltd.

²⁰ Includes the trade name Anvifish Co., Ltd. and Anvifish JSC.

²¹ Includes the trade name CL Panga Fish.

²² Includes the trade names East Sea Seafoods LLC and ESS.

²³ This rate is also applicable to QVD Dong Thap Food Co., Ltd and Thuan Hung Co., Ltd. (“THUFICO”). In the second review of this order, Commerce found QVD, QVD Dong Thap Food Co., Ltd. and THUFICO to be a single entity and, because there had been no changes to this determination since that administrative review, Commerce continued to find these companies to be part of a single entity and assigned this rate to the companies in the single entity.

²⁴ The Vietnam-wide rate included the following companies which were under review, but which did not submit a separate rate application or certification: East Sea Seafood Co., Ltd., East Sea Seafoods Joint Venture Co., Ltd., Hung Vuong Seafood Joint Stock Company, Nam Viet Company Limited, and Vinh Hoan Company Ltd.

²⁵ Amended to correct ministerial errors in the Final Results of Antidumping Duty Administrative Review and New Shipper Review; 2011-2012; 79 FR 19053.

²⁶ This rate is applicable to the Hung Vuong Group, which includes: An Giang Fisheries Import and Export Joint Stock Company, Asia Pangasius Company Limited, Europe Joint Stock Company, Hung Vuong Joint Stock Company, Hung Vuong Mascato Company Limited, Hung Vuong—Vinh Long Co., Ltd., and Hung Vuong—Sa Dec Co., Ltd.

²⁷ This rate is also applicable to QVD Dong Thap Food Co., Ltd. (“Dong Thap”) and Thuan Hung Co., Ltd. (“THUFICO”). In the second review of this order Commerce found QVD, Dong Thap and THUFICO to be a single entity, and because there had been no evidence submitted on the record of this review that calls this determination into question, Commerce continued to find these companies to be part of a single entity and assigned this rate to the companies in the single entity.

²⁸ The Vietnam-wide rate also includes the following companies which were under review, but which did not submit a separate rate application or certification: East Sea Seafoods Limited Liability Company and Anvifish Joint Stock Company. The Vietnam-wide rate also includes Can Tho Import-Export Joint Stock Company.

²⁹ No Shipments or sales in this review, and the firm had an individual rate from a prior segment of the proceeding in which the firm had shipments or sales.

³⁰ The Vietnam-wide entity includes mandatory respondents Anvifish, Basaco, Golden Quality, Tafishco, and Viet Phu, as well as Can Tho Import-Export Seafood Joint Stock Company (Caseamex).

³¹ These companies are separate rate respondents not individually examined.

³² Although Commerce found mandatory respondent GODACO to be eligible for a separate rate, its margin is based on adverse facts available (AFA).

³³ Cadovimex II's and Hoang Long's rates are based on a finding of duty reimbursements.

³⁴ These companies were separate rate respondents not individually examined.

³⁵ Caseamex was a separate rate respondent not individually examined.

Source: Cited Federal Register notices.

New shipper reviews

Table I-3 presents information on Commerce's new shipper reviews of the subject antidumping duty order on the subject frozen fish fillets from Vietnam. Commerce has completed 10 new shipper reviews and rescinded several new shipper reviews - in 2007²⁰, 2010²¹, 2013²², and 2014²³ - because the requesters withdrew their request for review.

Additionally, in a new shipper review for the period August 1, 2012, through July 31, 2013, Commerce found that Thanh Hung Co., Ltd. D/B/A Thanh Hung Frozen Seafood Processing Import Export Co., Ltd.'s ("Thanh Hung") sale during the period of review was non-bona fide, and because there were no other shipments or entries by Thanh Hung during the period of review, rescinded the new shipper review.²⁴ Commerce later amended the rescission of the new shipper review to correct a ministerial error after determined that it incorrectly stated that the Vietnam-wide rate was 2.39 U.S. dollars per kilogram instead of 2.11 U.S. dollars per kilogram.²⁵ In a new shipper review for the period August 1, 2013, through January 31, 2014, Commerce found that the sales made by Nam Phuong Seafood Co., Ltd. ("Nam Phuong") and NTACO Corporation ("NTACO") were non-bona fide, and rescinded these two new shipper reviews.²⁶

²⁰ The requestor, East Sea Foods, withdrew its request for review. 72 FR 2857, January 23, 2007.

²¹ The requestor, CL-Fish, withdrew its request for review. 75 FR 29726, May 27, 2010.

²² The requestor, Ngoc Ha, withdrew its request for review. 78 FR 40100; July 3, 2013.

²³ The requestor, BASA Joint Stock Company, withdrew its request for review. 79 FR 72170, December 5, 2014.

²⁴ 79 FR 71748, December 3, 2014.

²⁵ 80 FR 207, January 5, 2015.

²⁶ 80 FR 36970, June 29, 2015.

Table I-3

Frozen fish fillets: New shipper reviews of the antidumping duty order for Vietnam²⁷

Date results published	Period of review	Producer or exporter	Weighted-average margin (percent)
June 30, 2008; 73 FR 36840	8/1/2006 - 1/31/2007	Anvifish	0.00 ¹
		Vinh Quang/New Century/New Century	15.38
April 17, 2009; 74 FR 17816 ²	8/1/2006 - 7/31/2007	QVD	0.52 ³
		Agifish	0.52 ⁴
		Anvifish	0.52 ⁴
		Vietnam-Wide Entity ⁵	63.88
July 28, 2009; 74 FR 37188 ⁶	8/1/2007-1/31/2008	Acomfish	0.00
		Hiep Thanh	13.76
			Weighted- average margin (dollars per kilogram)
March 17, 2010; 75 FR 12726	8/1//2007-7/31/2008	SAMEFICO	0.00 ⁷
		Cadovimex II	0.00 ⁷
July 7, 2010; 75 FR 38985	8/1/2008-1/31/2009	NTSF	0.00
June 17, 2011; 76 FR 35403	8/1/2009-2/15/2010	THIMACO	0.00
		IDI	0.00
May 10, 2012; 77 FR 27435	8/1/2010-1/31/2011	Thuan An Production Trading & Services Co., Ltd	0.00
March 21, 2013; 78 FR 17350	8/1/2010-7/31/2011	An Phu Seafood Corporation	1.37
		Docifish Corporation	3.87
		An Phat Import-Export Seafood Co. Ltd (Manufacturer); Godaco Seafood Joint Stock Company (Exporter)	1.81
July 2, 2013; 78 FR 39708	8/1/2011-1/31/2012	Quang Minh Seafood Co., Ltd	2.96
		Dai Thanh Seafoods Company Limited	1.20
		Fatifish Company Limited	0.59
		Hoang Long Seafood Processing Co., Ltd	0.83 ⁷

Table continued on next page

²⁷ In the third administrative review of this order, Commerce determined that it would calculate per-unit assessment and cash deposit rates for all future reviews. See Certain Frozen Fish Fillets from the Socialist Republic of Vietnam: Final Results of Antidumping Duty Administrative Review and Partial Rescission, 73 FR 15479 (March 24, 2008).

Table I-3—Continued.

Frozen fish fillets: New shipper reviews of the antidumping duty order for Vietnam

Date results published	Period of review	Producer or exporter	Weighted- average margin (dollars per kilogram)
April 7, 2014; 79 FR 19053	8/1/2011-7/31/2012	Golden Quality	de minimis
July 7, 2016; 81 FR 44272	8/1/2014-1/31/2015	Hai Huong Seafood Joint Stock Company	1.25
<p>¹ Amended from an initial final rate of 31.68 to correct a ministerial error. 73 FR 47884, August 15, 2008.</p> <p>² Amended to correct ministerial errors in the final results 74 FR 11349, March 17, 2009.</p> <p>³ This rate is applicable to the QVD Single Entity which includes QVD, QVD Dong Thap, and Thuan Hung Co. Ltd.</p> <p>⁴ For the exporters subject to review that are determined to be eligible for separate-rate status, but were not selected as mandatory respondents, Commerce normally establishes a weighted-average margin based on an average of the rates it calculated for the mandatory respondents, excluding any rates that are zero, de minimis, or based entirely on facts available. In this new shipper review, there was only one such mandatory respondent, QVD. Accordingly, the rate calculated for QVD was applied as the rate for Agifish and Anvifish.</p> <p>⁵ The Vietnam-wide Entity includes An Xuyen.</p> <p>⁶ Amended to correct ministerial errors in the final results 74 FR 29473, June 22, 2009.</p> <p>⁷ Amended to correct ministerial errors made in the calculation of the antidumping duty margin for Hoang Long, 78 FR 48415, August 8, 2013.</p>			

Source: Cited Federal Register notices.

Circumvention reviews

On November 2, 2004, Commerce initiated an anticircumvention inquiry to determine whether certain imports of frozen fish fillets from Cambodia were circumventing the antidumping duty order.²⁸ Commerce concluded that Lian Heng Trading Co. Ltd. and Lian Heng Investment Co., Ltd. circumvented the antidumping duty order by importing Vietnamese-origin whole live basa and tra into Cambodia, which it subsequently processed into frozen fish fillets for export to the United States.²⁹

Changed circumstances reviews

On August 21, 2007, Commerce initiated a changed circumstances review in response to a request from an interested party.³⁰ On February 19, 2009 Commerce rescinded the changed circumstances review because it had initiated an administrative review covering the firms in

²⁸ 69 FR 63507, November 2, 2004.

²⁹ 71 FR 38608, July 7, 2006.

³⁰ FR 46604, August 21, 2007.

question and addressed the changed circumstances issues as part of its 2007-08 administrative review.³¹

Five-year reviews

Commerce has issued the final results of its expedited review with respect to frozen fish fillets from Vietnam.³² Table I-4 presents the dumping margins calculated by Commerce in its original investigations and first and second reviews.

Table I-4
Frozen fish fillets: Commerce's original and subsequent reviews dumping margins for producers/exporters in Vietnam

Producer/exporter	Original margin (percent)	First five-year review margin (percent)	Second five-year review margin (percent)	Third five-year review margin (percent)
Agifish	47.05	47.05	Up to 63.88	Up to 63.88
Vinh Hoan	36.84	36.84		
Nam Viet	53.68	53.68		
CATACO	45.81	45.81		
Afiex	45.55	45.55		
CAFATEX	45.55	45.55		
Da Nang	45.55	45.55		
Mekonimex	45.55	45.55		
QVD	45.55	45.55		
Viet Hai	45.55	45.55		
Vinh Long	45.55	45.55		
All others	63.88	63.88		

Source: 68 FR 43713, July 24, 2003; 74 FR 5819, February 2, 2009; 79 FR 60452, October 7, 2014; 85 FR 6500, February 5, 2020.

³¹ 74 FR 7659, February 19, 2009.

³² 85 FR 6500, February 5, 2020.

The subject merchandise

Commerce's scope

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

The product covered by the order is frozen fish fillets, including regular, shank, and strip fillets and portions thereof, whether or not breaded or marinated, of the species Pangasius Bocourti, Pangasius Hypophthalmus (also known as Pangasius Pangasius) and Pangasius Micronemus.

Frozen fish fillets are lengthwise cuts of whole fish. The fillet products covered by the scope include boneless fillets with the belly flap intact ("regular" fillets), boneless fillets with the belly flap removed ("shank" fillets) and boneless shank fillets cut into strips ("fillet strips/finger"), which include fillets cut into strips, chunks, blocks, skewers, or any other shape.

Specifically excluded from the scope are frozen whole fish (whether or not dressed), frozen steaks, and frozen belly-flap nuggets. Frozen whole, dressed fish are deheaded, skinned, and eviscerated. Steaks are bone-in, cross-section cuts of dressed fish. Nuggets are the belly-flaps.

Tariff treatment

The subject frozen fish fillets are currently imported under statistical reporting number 0304.62.0020 of the Harmonized Tariff Schedule ("HTS") of the United States.³³ Such frozen fish fillets imported from Vietnam enter the U.S. market at a column 1-general duty rate of "free."³⁴ Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

³³ Commerce indicated that subject merchandise may also be imported under HTS subheadings 0305.59.00, 1604.19.21, 1604.19.31, 1604.19.41, 1604.19.51, 1604.19.61, or 1604.19.81. 84 FR 18007, April 29, 2019. Staff notes that HTS subheadings 1604.19.21 and 1604.19.31, which cover canned products, were replaced by HTS subheadings 1604.19.22, 1604.19.32 and 1604.19.82 respectively, effective January 1, 2017, as shown in the basic edition of the 2017 HTS. The general duty rates under these subheadings range from free to 10 percent ad valorem.

³⁴ At the time of the original investigation, the tariff rate on certain frozen fish fillets from Vietnam and all general duty rate countries was free (the longstanding column 1 rate). Prior to December 1, 2001, the tariff rate applicable to Vietnam was the column 2 rate of 5.5 cents per kilogram.

The product

Description and applications³⁵

Basa/tra and catfish belong to separate families of freshwater fish with distinct physical characteristics, but both are regarded in the food industry as mild-tasting, white meat, freshwater fish. When processed into frozen fillets, they are considered generally similar in appearance, price, texture, and taste. A fillet is one of two sides of a fish, with head, tail, bones, and entrails removed. “Regular” fillets include the belly flap or “nugget;” “shank” fillets have the flap removed; and “strip” or “finger” fillets are finger-sized strips cut from regular or shank fillets. Each fillet ranges in size from 2 ounces to over 12 ounces frozen.

Manufacturing processes³⁶

Virtually all of the basa/tra and catfish from which the subject fillets are made are commercially raised on farms, which may or may not be related to the processing plants that produce the subject product. Regardless of any joint ownership, farming and processing, discussed separately below, generally take place at separate locations.

Farming

In the United States, catfish are raised in man-made, earthen ponds, 10 to 20 acres in size and 3 to 6 feet deep, on over 1,000 farms, located mainly in the Southeast (particularly in Mississippi, Alabama, and Arkansas), where climate and topography are favorable. The catfish raised are either channel catfish or, increasingly, a hybrid type that crosses channel catfish with blue catfish. The hybrid type has become increasingly popular since the 1990s and now accounts for about 75 percent of production, due to its faster growth rate and greater resistance to low oxygen levels and pathogens in ponds.³⁷ The ponds are stocked with fingerlings 2 to 3 inches in length that receive a daily feeding until they reach a foodsize of at least 0.75 pound and usually not over 3 pounds, which is generally the range that can be processed efficiently.³⁸ Fingerlings reach foodsize in about 10 weeks, and harvesting is year-round, although individual farms may only harvest 2 or 3 times annually.³⁹ Because several sizes

³⁵ Unless otherwise noted, this information is based on Second review publication, p. I-6.

³⁶ Unless otherwise noted, this information is based on Second review publication, pp. I-6—I-7.

³⁷ Lutz, “U.S. Catfish Industry Enters a New Era,” The Fish Site, July 28, 2020.

³⁸ Some farmers raise fingerlings only, selling these as feedstock to the other farmers.

³⁹ Yields drop significantly after the fish reaches 2-3 pounds and additional costs are incurred per pound to raise the fish.

of catfish are in a pond at any one time, harvesting generally takes place using nets that allow fish smaller than foodsize to escape. Processors generally are very particular about the size and flavor of the fish they purchase, often testing the fish in specific ponds for flavor and sometimes rejecting a pond's fish on the basis of flavor alone.⁴⁰ After harvesting, the fish are placed into tank trucks and are transported live to the processing plant. Catfish farmers in the United States raise no other kinds of fish, and the vast bulk of the fish they raise is sold to processors. The remainder is sold fresh to local markets.

In Vietnam, the fish are raised in cages in the Mekong River, mostly in the delta region, and at harvest are transported live downriver in cage boats to processors. The number of individual farms in Vietnam is unknown, but VASEP reports that the fish were farmed on about 13,000 acres as of 2018, reflecting a slight decrease in land devoted to basa/tra farming compared to the prior five years (though yields have increased, resulting in increased total production).⁴¹

Processing

To produce frozen fish fillets, U.S. and Vietnamese processing plants perform the same steps, either automatically or manually depending on the individual processor, although most Vietnamese processors are not automated. Currently, approximately 14 processors operate in the United States.⁴² The fish, held live in pre-processing tanks, are first deheaded, eviscerated, skinned, and filleted, and then, after chilling and sorting by weight, are quick-frozen and glazed. Any breading or marinating is done before freezing. Quick freezing, by which the fillets are reduced from 32 degrees Fahrenheit to 15 degrees Fahrenheit in 30 minutes or less, enables the fish to retain more of its original (fresh) quality.⁴³ Upon leaving the freezer, a sprayer or water bath coats the fillets with a thin layer of ice (glaze). Finally, the fillets are packaged according to size in 15-pound cardboard shipping cartons lined with polyethylene bags and warehoused at 0 degrees Fahrenheit or below until shipment. The Vietnamese product is packaged in 10-pound cartons.

⁴⁰ Off-flavors are generally caused by blooms of certain algae, and such blooms are usually short-lived. If a specific pond's fish are rejected for flavor several times in a row, the farmer may move the fish to another pond with less algae or apply an algacide to kill all the algae in the pond. The latter is detrimental to the pond as algae aid in the pond's oxygenation.

⁴¹ VASEP, "Pangasius Farming Area and Production in the Mekong Delta, 2011-18," <http://mseafood.vasep.com.vn/673/onecontent/sector-profile.htm> (accessed August 7, 2020).

⁴² Domestic interested parties' response to Notice of Institution, October 31, 2019, p. 2 and exh. 7.

⁴³ In the United States, the fillets are treated with a tripolyphosphate solution prior to freezing to prevent excessive water loss.

Most processors in the United States process catfish exclusively, but into many commercial products other than frozen fillets, including fresh (or “iced”) fillets, fresh and frozen whole fish, fresh and frozen dressed fish (deheaded, eviscerated, and skinned), and fresh and frozen steaks (cross sections of large fish). The nuggets of shank fillets are also sold separately, both fresh and frozen. Based on questionnaire responses submitted in the Commission’s full first five-year review of the order, in 2008, 23 percent of the weight of the U.S.-grown live catfish that processors used was processed into frozen fillets, 29 percent was processed into other products (especially whole fresh fish, fresh fish fillets, and frozen belly-flap nuggets), and 48 percent was offal-unused parts of the fish that were mostly sold for use in fish meal, fertilizer, and oil. Unlike U.S. processors, the Vietnamese processors also process water animals other than the subject product, including various types of mollusks, crustaceans, and other types of fish.

Domestic like product issues

In its original determinations, and in the first and second five-year reviews, the Commission defined the domestic like product as frozen catfish fillets, whether or not breaded or marinated.⁴⁴ In its notice of institution in these current five-year reviews, the Commission solicited comments from interested parties regarding the appropriate domestic like product and domestic industry.⁴⁵ In their response to the Commission’s notice of institution, both the domestic interested parties and the respondent interested parties indicated that they agreed with this definition of the domestic like product.⁴⁶ No party requested that the Commission collect data concerning other possible domestic like products in their comments on the Commission’s draft questionnaires.

⁴⁴ Original publication, p. 6.; First review publication, p. 6.; Second review publication, p. 6.

⁴⁵ 84 FR 52122, October 1, 2019.

⁴⁶ Substantive Response of the Catfish Farmers of America and its members, p. 25; Substantive Response of Vietnam Association of Seafood Exporters and Producers (“VASEP”), p. 14.

U.S. market participants

U.S. producers

During the original investigation, 17 firms supplied the Commission with information on their U.S. operations with respect to the domestic like product, frozen catfish fillets. These firms accounted for about 75 percent of U.S. production of frozen catfish fillets in 2002.⁴⁷ During the first review, 14 firms that accounted for 82.4 percent of U.S. shipments during 2008 supplied the Commission with information on their U.S. operations.⁴⁸ During the second review, the domestic interested parties provided a list of 17 U.S. producers of the domestic like product in their response to the Commission's notice of institution.⁴⁹ In the current proceeding, the Commission issued U.S. producers' questionnaires to 14 firms, nine of which provided the Commission with information on their frozen catfish fillet operations. These firms are believed to account for the vast majority of U.S. production of frozen catfish fillets in 2019. Presented in table I-5 is a list of current domestic producers/processors of frozen catfish fillets and each company's position on continuation of the order, production locations(s), and share of reported production of frozen catfish fillets in 2019.

⁴⁷ The 17 U.S. producers that supplied the Commission with usable questionnaire information during the original investigations were: America's Catch, Aquafarms, Carolina Classics, ConFish, Delta Pride, Fish Breeders, Haring's Pride, Harvest Select, Heartland Catfish, Prairie Lands, Pride of the Pond, Pride of the South, Prime Line, Seabrook, Seacat, Simmons, and Southern Pride.

⁴⁸ First review publication, p. III-1.

⁴⁹ Second review publication, p. I-11.

Table I-5**Frozen fish fillets: U.S. producers, their position on the continuation of order(s), location of production, and share of reported production, 2019**

Firm	Position on continuation of order(s)	Production location(s)	Share of production (percent)
America's Catch	***	Itta Bena, MS	***
Consolidated Catfish	***	Isola, MS Eutaw, AL	***
Guidry's	***	Breaux Bridge, LA	***
Haring	***	Wisner, LA	***
Harvest Select	***	Uniontown, AL	***
Pride of the Pond	***	Tunica, MS	***
Heartland	***	Itta Bena, MS Greensboro, AL	***
Simmons	***	Yazoo City, MS	***
SouthFresh	***	Eutaw, AL	***
Total			***

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

As indicated in table I-6, no U.S. producers are related to foreign producers of the subject merchandise and no U.S. producers are related to U.S. importers of the subject merchandise. In addition, no U.S. producers directly import the subject merchandise but one U.S. producer purchased the subject merchandise from U.S. importers.⁵⁰

Table I-6**Frozen fish fillets: U.S. producers' ownership, related and/or affiliated firms**

Item / Firm	Firm Name	Affiliated/Ownership
Ownership:		
***	***	***
***	***	***
***	***	***
***	***	***

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

U.S. importers

In the original investigation, seven U.S. importing firms supplied the Commission with usable information on their operations involving the importation of frozen basa and tra fillets, accounting for 23 percent of U.S. imports of frozen basa and tra fillets during 2002.⁵¹ Of the responding U.S. importers, none were (or were related to) U.S. producers of the domestic like

⁵⁰ In 2019, *** reported purchasing *** pounds of subject merchandise from ***.

⁵¹ Original publication, p. IV-1.

product. In the first review, questionnaire responses were received from 11 firms⁵² and in the second expedited review, the Commission did not solicit or receive questionnaire responses.

In the current proceedings, the Commission issued U.S. importers' questionnaires to 48 firms believed to be possible importers of frozen basa and tra fillets, as well as to all U.S. producers of frozen catfish fillets. Four firms provided data and information in response to the questionnaires, representing *** percent of U.S. imports from Vietnam during 2019. Table I-7 lists all responding U.S. importers of frozen basa and tra fillets from Vietnam and other sources, their locations, and their shares of U.S. imports in 2019.

**Table I-7
Frozen fish fillets: U.S. importers, their headquarters, and share of total imports by source, 2019**

Firm	Headquarters	Share of imports by source (percent)		
		Vietnam	Nonsubject sources	All import sources
B&D Seafoods	Lake Forest, CA	***	***	***
Colorado Food Products	Denver, CO	***	***	***
H & N	Vernon, CA	***	***	***
Yi Nar	New York, NY	***	***	***
Total		***	***	***

Note: H & N Group Inc. ceased importing in 2016 and Yi Nar Global Inc. ceased importing in 2018.

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

U.S. purchasers

The Commission received six usable questionnaire responses from firms that bought frozen fish fillets during 2017-19.⁵³ Three responding purchasers are distributors, one is an end user (restaurant), and three respondents are other firm types (importer, importer/processor, and wholesale trader). In general, responding U.S. purchasers were located in different regions of the United States (including California, Connecticut, Georgia, Michigan, Texas, and Washington).

Apparent U.S. consumption

Data concerning apparent U.S. consumption and market shares of frozen fish fillets are shown in table I-8 and figure I-2. Apparent U.S. consumption increased from 2017-18 and then decreased from 2018-2019, for a total decrease of 14.2 percent from 2017-19. Apparent U.S.

⁵² First review publication, p. IV-1.

⁵³ Of the six responding purchasers, three purchased the domestic like product, six purchased imports of the subject merchandise from Vietnam, and two purchased imports of frozen fish fillets from other sources.

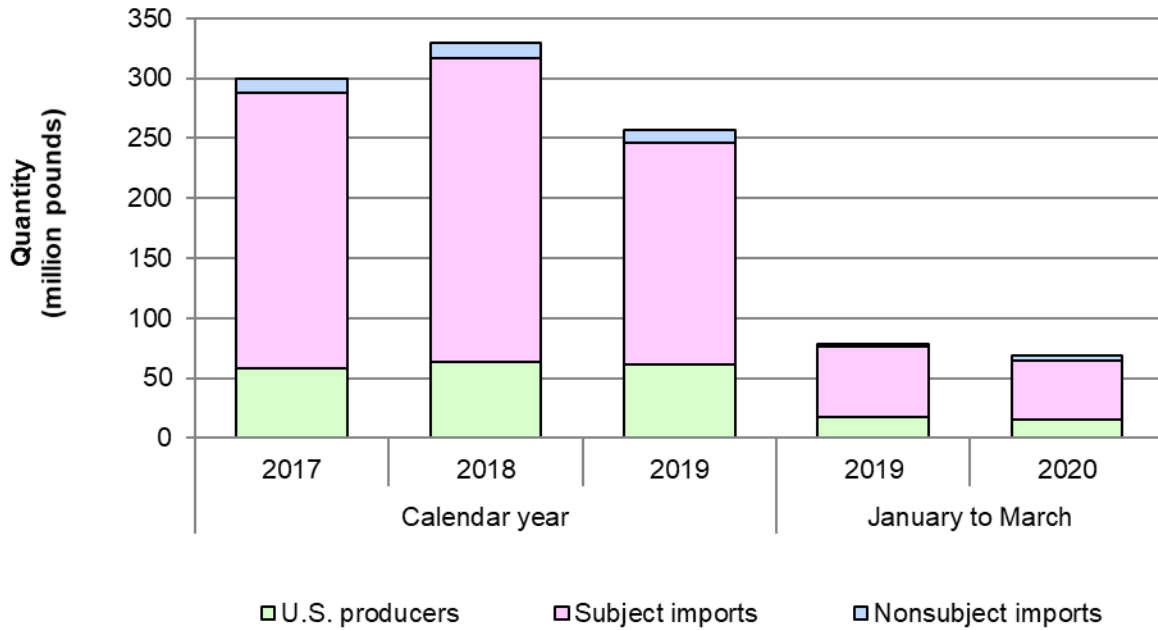
consumption was also 13.3 percent lower in interim 2020 compared to interim 2019. The U.S. producers' market share increased by 4.6 percentage points from 2017-2019. The market share of imports of frozen fish fillets from Vietnam decreased by 5.0 percentage points during 2017-19, while the share of imports from nonsubject sources increased by 0.3 percentage points.

Table I-8
Frozen fish fillets: Apparent U.S. consumption, 2017-19, January-March 2019, and January-March 2020

Item	Calendar year			January to March	
	2017	2018	2019	2019	2020
	Quantity (1,000 pounds)				
U.S. producers' U.S. shipments	57,717	63,390	61,472	17,274	15,945
U.S. imports from.--					
Vietnam (HTS 0304.62.0020)	230,184	204,599	116,394	43,382	28,990
Vietnam (HTS 0304.62.0030)	39	48,720	68,222	15,163	20,058
Total U.S. subject imports	230,223	253,319	184,616	58,545	49,048
Nonsubject sources	12,172	12,530	11,322	3,067	3,368
All import sources	242,394	265,849	195,937	61,612	52,416
Apparent consumption	300,111	329,239	257,410	78,886	68,361
	Value (1,000 dollars)				
U.S. producers' U.S. shipments	254,502	257,354	260,427	73,443	68,875
U.S. imports from.--					
Vietnam (HTS 0304.62.0020)	358,137	418,854	216,262	97,605	40,202
Vietnam (HTS 0304.62.0030)	46	112,722	122,023	33,294	29,194
Total U.S. subject imports	358,182	531,576	338,284	130,899	69,396
Nonsubject sources	37,338	33,914	30,977	8,020	7,955
All import sources	395,520	565,490	369,262	138,919	77,352
Apparent consumption	650,022	822,844	629,689	212,362	146,227
	Share of quantity (percent)				
U.S. producers' U.S. shipments	19.2	19.3	23.9	21.9	23.3
U.S. imports from.--					
Vietnam (HTS 0304.62.0020)	76.7	62.1	45.2	55.0	42.4
Vietnam (HTS 0304.62.0030)	0.0	14.8	26.5	19.2	29.3
Total U.S. subject imports	76.7	76.9	71.7	74.2	71.7
Nonsubject sources	4.1	3.8	4.4	3.9	4.9
All import sources	80.8	80.7	76.1	78.1	76.7
	Share of value (percent)				
U.S. producers' U.S. shipments	39.2	31.3	41.4	34.6	47.1
U.S. imports from.--					
Vietnam (HTS 0304.62.0020)	55.1	50.9	34.3	46.0	27.5
Vietnam (HTS 0304.62.0030)	0.0	13.7	19.4	15.7	20.0
Total U.S. subject imports	55.1	64.6	53.7	61.6	47.5
Nonsubject sources	5.7	4.1	4.9	3.8	5.4
All import sources	60.8	68.7	58.6	65.4	52.9

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics using HTS statistical reporting numbers 0304.62.0010, 0304.62.0020, 0304.62.0030, and 0304.62.0090 accessed August 7, 2020.

Figure I-2
Frozen fish fillets: Apparent U.S. consumption, 2017-19, January-March 2019, and January-March 2020



Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics using HTS statistical reporting numbers 0304.62.0010, 0304.62.0020, 0304.62.0030, and 0304.62.0090 accessed August 7, 2020.

Part II: Conditions of competition in the U.S. market

U.S. market characteristics

Frozen fish fillets are comprised of regular, shank, and strip fillets, which also includes breaded or marinated fillets of the species *Pangasius Bocourti*, *Pangasius Hypophthalmus* (also known as *Pangasius Pangasius*) and *Pangasius Micronemus*. Catfish fillets are the primary fillet of U.S. producers, while frozen basa and tra fillets are the primary fillets of Vietnamese producers. Basa and tra fillets are considered the domestic like product to catfish fillets, and have been termed the Asian catfish.¹ Additionally, basa, tra, and domestic catfish are all white fish; similarly textured; consist of a neutral/mild flavor; and are typically frozen and packaged in the same size increments. Basa and tra are often marketed, sold and even labeled as catfish.² There is also often a close relationship between domestic catfish farmers and domestic processors of frozen catfish fillets through ownership and other arrangements, so U.S. supply and demand factors can have an upstream impact on U.S. farmers and processors.³

Overall, apparent U.S. consumption in 2019 was 14.2 percent lower than in 2017. While U.S. consumption of frozen fish fillets decreased, domestic production of frozen fish fillets increased in 2019 by 7.8 percent relative to 2017. As a result, U.S. producers' share of U.S. consumption increased by 4.6 percentage points from 2017 to 2019. The share of consumption for imports from Vietnam decreased by 5.0 percentage points while the share imported from nonsubject sources increased by 0.3 percentage points during the same period. The majority of responding firms (six of nine U.S. producers and *** importers) indicated there had been no significant changes in the product range, product mix, or marketing of frozen fish fillets since January 1, 2014. The three U.S. producers that indicated there were changes, indicated those changes were in reaction to changes initiated by foreign producers.⁴ U.S. producers noted that there was an increase in consumer demand due to consumers growing knowledge of the higher-quality frozen fish fillets offered by domestic producers.

¹ Tyson R. Roberts and Chavalit Vidthayanon, "Systematic Revision of the Asian Catfish Family Pangasiidae, with Biological Observations and Descriptions of Three New Species," *Proceedings of the Academy of Natural Sciences of Philadelphia*, 143: 97-14, 1991, pp. 97 and 101).

² Certain Frozen Fish Fillets from Vietnam, Inv. No. 731-TA-1012 (Review), USITC Publication 4083 (June 2009), pp. 5-6.

³ *Ibid.*, p. II-1.

⁴ *** noted U.S. producers needed to match smaller sizes offered by Vietnamese producers, and *** noted U.S. producers began marketing their catfish product as healthier due to lower chemical usage domestically than with the imported catfish.

Channels of distribution

Frozen fish fillets are sold to food service distributors, restaurants, grocery and retail stores, and other end users. U.S. producers and importers sold mainly to food service distributors, as shown in table II-1. In 2019, *** percent of U.S. producers' shipments were shipped to food service distributors, while *** were shipped to grocery and retail establishments, *** percent were shipped to restaurants, and *** percent were shipped to other end users. The share of U.S. producers' shipments to other end users were lower in January to March 2020 than in January to March 2019, while most other shipment categories were much more consistent from January to March of 2019. The two responding U.S. importers sold *** of their frozen fish fillets imported from Vietnam to food service distributors during 2017 to 2019.

Table II-1
Frozen fish fillets: U.S. producers' and importers' U.S. shipments, by sources and channels of distribution, 2017-19, January-March 2019, and January-March 2020

Item	Calendar year			January to March	
	2017	2018	2019	2019	2020
Share of U.S. shipments (percent)					
U.S. producers: to Food service distributors	***	***	***	***	***
to Restaurants	***	***	***	***	***
to Grocery and retail establishments	***	***	***	***	***
to Other end users	***	***	***	***	***
U.S. importers: Vietnam to Food service distributors	***	***	***	***	***
to Restaurants	***	***	***	***	***
to Grocery and retail establishments	***	***	***	***	***
to Other end users	***	***	***	***	***
U.S. importers: All other sources to Food service distributors	***	***	***	***	***
to Restaurants	***	***	***	***	***
to Grocery and retail establishments	***	***	***	***	***
to Other end users	***	***	***	***	***

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

Geographic distribution

U.S. producers reported selling frozen fish fillets to all specified U.S. regions (table II-2). All U.S. producers reported shipping to the Southeast and Central Southwest. Each of the three U.S. importers sold to their own unique region of either the Northeast, the Southeast, or the Central Southwest. For U.S. producers, *** percent of sales were within 100 miles of their production facility, *** percent were between 101 and 1,000 miles, and *** percent were over 1,000 miles. Importers sold *** percent within 100 miles of the port of importation or warehouse.

Table II-2
Frozen fish fillets: Geographic market areas in the United States served by U.S. producers and importers

Region	U.S. producers	Subject U.S. importers
Northeast	4	***
Midwest	7	***
Southeast	9	***
Central Southwest	9	***
Mountains	5	***
Pacific Coast	7	***
Other ¹	2	***
All regions (except Other)	4	***
Reporting firms	9	***

Note: Other is all other U.S. markets, including AK, HI, PR, and VI.

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

Supply and demand considerations

U.S. supply

Table II-3 provides a summary of the supply factors regarding frozen fish fillets from U.S. producers and from Vietnam. There was insufficient data and responses to assess supply factors in Vietnam, but *** noted Vietnamese supply of frozen fish fillets and corresponding raw materials (live catfish) are made available at the same time as U.S. product, as both are available seasonally.

Table II-3

Frozen fish fillets: Supply factors that affect the ability to increase shipments to the U.S. market

Item	2017	2019	2017	2019	2017	2019	Shipments by market in 2019 (percent)		Able to shift to alternate products
	Capacity (1,000 pounds)		Capacity utilization (percent)		Inventories as a ratio to total shipments (percent)		Home market shipments	Exports to non-U.S. markets	No. of firms reporting "yes"
United States	***	***	***	***	***	***	***	***	7 of 9
Vietnam	***	***	***	***	***	***	***	***	0 of 0

Note: Responding U.S. producers accounted for more than 75 percent of U.S. production of frozen fish fillets in 2019. There were no responding foreign producer/exporter firms from Vietnam. For additional data on the number of responding firms and their share of U.S. production and of U.S. imports from each subject country, please refer to Part I, "Summary Data and Data Sources."

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

Domestic production

Based on available information, U.S. producers of frozen fish fillets have the ability to respond to changes in demand with moderate-to-large changes in the quantity of shipments of U.S.-produced frozen fish fillets to the U.S. market.⁵ The main contributing factors to this degree of responsiveness of supply are the availability of unused capacity and inventories and the ability to shift production to or from alternate products. Factors mitigating responsiveness of supply include limited availability of U.S. live farm-raised catfish and seasonal limitations to ship fish during the summer due to lack of food-size fish and algae growth during summer causing off-flavoring in fish.⁶

From 2017 to 2019, U.S. producers' capacity and production of frozen fish fillets increased, while capacity utilization decreased slightly due to capacity increases outpacing production during that period. Seven of nine U.S. producers noted the ability to switch production either to fresh fish, whole frozen fish, or steaks and nuggets of fish. U.S. producers largely do not export to foreign markets. *** noted that exporting their product to foreign markets is cost prohibitive. There are no significant factors affecting U.S. producers' ability to shift production to whole fish, steaks and nuggets of fish, or fresh fish.

⁵ Seasonal limitations limit responsiveness to meet demand.

⁶ Certain Frozen Fish Fillets from Vietnam, Inv. No. 731-TA-1012 (Review), USITC Publication 4083 (June 2009), p. II-5.

Subject imports from Vietnam

Based on available information,⁷ producers of frozen fish fillets from Vietnam have the ability to respond to changes in demand with large changes in the quantity of shipments of frozen fish fillets to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the ability to shift shipments from alternate markets.⁸ Additional factors could not be considered due to no response from Vietnamese producers.

Exports of frozen fish fillets from Vietnam decreased 5.2 percent from 2017 to 2019. Purchaser *** reported that there are spot shortages due to farming issues for catfish from Vietnam, importer *** indicated that new USDA inspection rules and/or procedures limits Vietnamese imports, while purchaser *** indicated more product is available.

Imports from nonsubject sources

There was a decrease of 7.0 percent in nonsubject imports from 2017 to 2019 and nonsubject imports comprised 4.4 percent of U.S. consumption of frozen fish fillets in 2019. Nonsubject imports of frozen fish fillet were 9.8 percent higher in interim 2020 than in interim 2019. China accounted for the majority of nonsubject imports.

Supply constraints

All U.S. importers and half of U.S. purchasers indicated there were no supply constraints for frozen fish fillets in the United States since 2017. In contrast, seven of nine producers reported supply constraints in the U.S. market. Low fish supply was most often reported as the reason. Two producers specifically noted low fish farm yields, with one stating that it believes “brutal cold” at the start of 2018 decreased its harvest. One producer indicated that the decrease in the number of U.S. producers has created the short supply. Purchaser *** reported that there were supply constraints due to loss of preferred duty status for Vietnamese frozen fish fillets, while *** noted spot shortages due to farming issues in Vietnam.

⁷ There were no responses from Vietnamese producers, so capacity data is unknown.

⁸ The percentage of Vietnamese producers’ shipments under HS subheading 0304.62 (frozen fish fillets) exported to the United States were just 11 percent of total exports of all shipments under that HS subheading in 2019. Global Trade Atlas, <https://www.gtis.com/gta/usitc/>, accessed August 8, 2020.

New suppliers

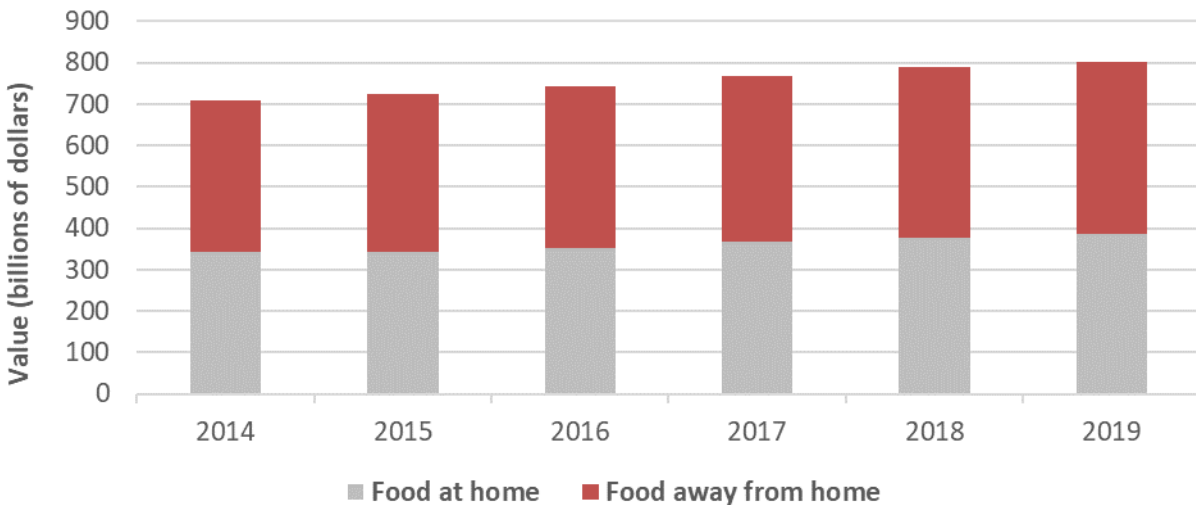
Four of six purchasers indicated that new suppliers entered the U.S. market since January 1, 2017, and three of six expect additional entrants. Purchaser *** reported that many suppliers have come and gone. Purchasers *** noted that it's the nature of the frozen fish fillet business that there will be new suppliers partially based on their ability to export to the U.S. market. Two of six purchasers indicated they were aware of new suppliers since 2017 but did not provide any additional details.

U.S. demand

Based on available information, the overall demand for frozen fish fillets is likely to experience moderate changes in response to changes in price. The main contributing factors are the relatively large range of substitute products and the moderate-to-large cost share of frozen fish fillets in most of its end-use food products such as it serving as a main course of a meal.

The U.S. demand fluctuated for frozen fish fillets during 2017-19. U.S. demand for frozen fish fillets is driven by consumer preferences through their patronage of restaurants and grocery stores. As shown in figure II-1, there has been a steady increase in expenditure for food since 2017.

Figure II-1
Expenditure for food at home and away from home, with taxes and tips



Source: USDA, Economic Research Service using data from the Food Expenditure Series (FES), real expenditure base year 1988.

End uses and cost share

Reported end uses include as an appetizer or a main course for home or restaurant consumption, or to be further processed to serve the same function. Eight of nine responding U.S. producers, *** responding importers, and one of two responding purchasers reported no changes in end uses. Purchaser *** noted that its “skin packaging”⁹ for retailers has increased. Frozen fish fillets account for a moderate-to-large share of the cost of the end-use products in which they are used.

Business cycles

Four of nine U.S. producers and three of six purchasers indicated that the market was subject to business cycles or conditions of competition distinct to the frozen fish fillet market.¹⁰ U.S. producer *** reported that U.S. farmers have moved to farming hybrid fish that grow faster, that become ready for market at the same time, and exaggerate oversupply of the market and undersupply of raw material at certain times. It further stated that Vietnamese grow cycles are at the same time as well and exasperate this issue. U.S. producer *** reported that Lent season increases demand in the spring while there is lower demand closer to Thanksgiving and Christmas. Additionally, purchasers *** noted an uptick in demand during Lent, Chinese New Year, and Lunar New Year in Vietnam.

Demand trends

A plurality of firms (***) reported that there has been an increase in U.S. demand for frozen fish fillets since January 1, 2017. *** indicated that there has been no change in demand, *** indicated it has fluctuated, and *** indicated it has decreased (table II-4). Firms’ expectations about future demand were highly variable.

⁹ A type of carded packaging consisting of a tray and a transparent plastic covering.

¹⁰ *** importers indicated that the market was subject to business cycles or conditions of competition.

Table II-4
Frozen fish fillets: Firms' responses regarding U.S. demand

Item	Number of firms reporting			
	Increase	No change	Decrease	Fluctuate
Demand in the United States:				
U.S. producers	3	2	1	3
Importers	***	***	***	***
Purchasers	3	1	1	1
Foreign producers	---	---	---	---
Anticipated future demand in the United States:				
U.S. producers	1	2	3	2
Importers	***	***	***	***
Purchasers	2	2	---	2
Foreign producers	---	---	---	---
Demand for purchasers' final products:				
Purchasers	1	---	---	1

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

Substitute products

Eight of nine producers, all four importers, and five of six purchasers stated that there has been no change in substitutes for frozen fish fillets since 2017. Firms noted that substitutes for frozen fish fillets within catfish products include fresh fish, whole fish, and various other frozen parts of the fish like steaks and nuggets of fish. U.S. producer *** stated that pollock and tilapia have emerged as substitutes for catfish-derived frozen fish fillets as well. Purchaser *** reported that rockfish and tilapia are substitutes regionally in California. Only *** indicated that it expects substitutes to change, noting “increased retail options.”

Substitutability issues

The degree of substitution between domestic and imported frozen fish fillets depends upon such factors as relative prices, quality (e.g., grade standards, defect rates, etc.), and conditions of sale (e.g., price discounts/rebates, lead times between order and delivery dates, reliability of supply, product services, etc.). Based on available data, staff believes that there is a moderate degree of substitutability between domestically produced frozen fish fillets and frozen fish fillets imported from subject sources.¹¹

¹¹ All responding U.S. producers and importers noted that U.S. frozen fish fillets and those imported from Vietnam are at least sometimes interchangeable, while U.S. purchasers (3 of 5) indicated they were not.

Lead times

Most U.S. producers' frozen fish fillets are ***. U.S. producers reported that *** percent of their commercial shipments were sold from inventory, with lead times averaging *** days. The remaining *** percent of their commercial shipments came produced-to-order, with lead times averaging *** days. *** of importers' commercial shipments were shipped from foreign inventories with lead times of *** days.

Knowledge of country sources

Of the six purchasers, three indicated they had marketing/pricing knowledge of domestic frozen fish fillets, all indicated they had knowledge of Vietnamese frozen fish fillets, and two indicated they had knowledge of product from nonsubject countries.

As shown in table II-5, most purchasers "always" make purchasing decisions based on the producer or country of origin. Of the 4 purchasers that reported that they always make decisions based the manufacturer, *** cited producer processors vary in quality output, which causes brand loyalty. Half of responding purchasers' customers "never" base purchasing decisions on the producer, but most of their customers' purchasing decisions are "usually" based on country of origin. *** cited an aversion to purchasing from Chinese processors.

Table II-5
Frozen fish fillets: Purchasing decisions based on producer and country of origin

Decision	Always	Usually	Sometimes	Never
Purchases based on producer:				
Purchaser's decision	4	1	---	1
Purchaser's customer's decision	---	1	2	3
Purchases based on country of origin:				
Purchaser's decision	4	1	---	1
Purchaser's customer's decision	---	5	---	1

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

Factors affecting purchasing decisions

Purchasers were asked to rate the importance of 15 factors in their purchasing decisions. Factors cited by more than half of responding purchasers as very important in their purchasing decisions for frozen fish fillets were product consistency and reliability of supply (each cited by 6 firms); availability, price, quality meets industry standards (each cited by 5 firms); and delivery terms (cited by 4 firms), as shown in table II-6.

Table II-6
Frozen fish fillets: Ranking of factors used in purchasing decisions as reported by U.S. purchasers, by factor

Factor	Number of firms reporting		
	Very important	Somewhat important	Not important
Product consistency	6	---	---
Reliability of supply	6	---	---
Availability	5	1	---
Price	5	1	---
Quality meets industry standards	5	1	---
Delivery terms	4	2	---
Delivery time	3	3	---
Quality exceeds industry standards	3	2	1
Payment terms	2	4	---
Packaging	2	3	1
Technical support/service	2	1	3
U.S. transportation costs	1	3	2
Minimum quantity requirements	1	2	3
Product range	---	5	1
Discounts offered	---	4	2

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

Supplier certification

Three of six responding purchasers require their suppliers to become certified or qualified to sell frozen fish fillets to their firm. Purchasers reported that the time to qualify a new supplier ranged from 2 to 5 days. Certification included Food Safety, Hazard Analysis Critical Control Point (HACCP), Request for Taxpayer Identification Number (W-9), and third-party certifications (e.g., British Retail Consortium (BRC), Best Aquaculture Practices (BAP)). No purchaser reported that domestic or foreign supplier had failed in its attempt to qualify product or had lost its approved status since January 1, 2017.

Changes in purchasing patterns

Purchasers were asked about changes in their purchasing patterns from different sources since 2017 (table II-7); reasons reported for changes in sourcing always noted a change in customer demand. Three of six responding purchasers reported that they had changed suppliers since January 1, 2017. Purchaser *** stated that “trust” was a major factor, purchaser *** noted changing duty rates affected its decision to change suppliers, and purchaser *** indicated there are multiple factors relating to its decision to change suppliers.

Table II-7
Frozen fish fillets: Changes in purchasing patterns from U.S., subject, and nonsubject sources

Factor	Did not purchase	Decreased	Increased	Constant	Fluctuated
United States	3	---	---	2	1
Vietnam	---	1	2	1	2
Nonsubject sources	3	---	---	1	1
Sources unknown	3	---	1	---	1

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

Importance of purchasing domestic product

All six purchasers reported that most or all of their purchases did not require purchasing U.S.-produced product. One purchaser reported that domestic product was required by law (for less than 24.9 percent of its purchases), two of six reported it was required by their customers (for 49.9 percent of their purchases or less), and two of six reported other preferences for domestic product by their customers (for 24.9 percent or less of purchases). Purchaser *** stated that its interest in buying domestic product was based on its interest to buy specific fish species.

Table II-8
Frozen fish fillets: Changes in purchase patterns from U.S., subject, and nonsubject countries

Factor	Share of purchases (percent)	Count of firms (number)
Purchases no domestic requirements	***	6
Purchases domestic requirements by law	***	1
Purchases domestic requirements by customers	***	2
Purchases domestic requirements other	***	2
Total	100.0	6

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

Comparisons of domestic products, subject imports, and nonsubject imports

Purchasers were asked a number of questions comparing frozen fish fillets produced in the United States, Vietnam, and nonsubject countries. First, purchasers were asked for a country-by-country comparison on the same 15 factors (table II-9) for which they were asked to rate the importance (listed in table II-6). Purchasers considered U.S. and Vietnam frozen fish fillets to be comparable for the most important factors listed in table II-7, including product consistency and reliability of supply. However, U.S. frozen fish fillets were considered inferior in price to Vietnamese frozen fish fillets. Most purchasers reported that U.S. and nonsubject products were comparable on almost every factor, although one purchaser indicated the U.S. was superior on six factors. Similarly, all responding purchasers that compared product from Vietnam with that from nonsubject countries indicated the products are comparable in every factor.

Table II-9
Frozen fish fillets: Purchasers' comparisons between U.S.-produced and imported product

Factor	Number of firms reporting								
	U.S. vs. Vietnam			U.S. vs. Nonsubject			Vietnam vs. Nonsubject		
	S	C	I	S	C	I	S	C	I
Availability	---	4	1	1	1	---	---	2	---
Delivery terms	1	4	---	---	2	---	---	2	---
Delivery time	3	2	---	1	1	---	---	2	---
Discounts offered	---	3	1	---	2	---	---	2	---
Minimum quantity requirements	2	2	---	1	1	---	---	2	---
Packaging	---	4	---	---	2	---	---	2	---
Payment terms	---	4	---	---	2	---	---	2	---
Price	---	2	3	---	1	1	---	2	---
Product consistency	---	4	1	---	2	---	---	2	---
Product range	1	3	1	1	1	---	---	2	---
Quality meets industry standards	---	5	---	---	2	---	---	2	---
Quality exceeds industry standards	---	5	---	---	2	---	---	2	---
Reliability of supply	---	3	1	---	2	---	---	2	---
Technical support/service	2	3	---	1	1	---	---	2	---
U.S. transportation costs	2	3	---	1	1	---	---	2	---

Note: A rating of superior means that price/U.S. transportation costs is generally lower. For example, if a firm reported "U.S. superior," it meant that the U.S. product was generally priced lower than the imported product.

Note: S=first listed country's product is superior; C=both countries' products are comparable; I=first list country's product is inferior.

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

Comparison of U.S.-produced and imported frozen fish fillets

In order to determine whether U.S.-produced frozen fish fillets can generally be used in the same applications as imports from Vietnam, U.S. producers, importers, and purchasers were asked whether the products can always, frequently, sometimes, or never be used interchangeably. As shown in table II-10, U.S. producers consider U.S. frozen fish fillets to be frequently interchangeable with Vietnamese frozen fish fillet and all other imported product. U.S importers considered U.S. frozen fish fillets to be *** interchangeable with imported frozen fish filets from Vietnam and other countries, while purchasers considered U.S. frozen fish fillets and those imported from Vietnam to be sometimes or never interchangeable. Purchaser *** notes it is substitutability of the species in a fillet that matters, and Vietnam does not produce all species.

Table II-10
Frozen fish fillets: Interchangeability between frozen fish fillets produced in the United States and in other countries, by country pair

Country pair	U.S. producers				U.S. importers				U.S. purchasers			
	A	F	S	N	A	F	S	N	A	F	S	N
United States vs. Vietnam	2	6	---	---	***	***	***	***	---	---	2	3
United States vs. Other	1	3	1	---	***	***	***	***	---	---	1	---
Vietnam vs. Other	1	3	---	---	***	***	***	***	---	---	1	1

Note: A=Always, F=Frequently, S=Sometimes, N=Never.

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

As can be seen from table II-11, two-thirds of responding purchasers reported that domestically produced product “usually” met minimum quality specifications, while a third reported they “always” met minimum quality specifications. Most responding purchasers reported that the frozen fish fillets from Vietnam “always” met minimum quality specifications.

Table II-11
Frozen fish fillets: Ability to meet minimum quality specifications, by source

Factor	Always	Usually	Sometimes	Rarely or never
United States	1	2	---	---
Vietnam	5	1	---	---
Other	---	---	---	---

Note: Purchasers were asked how often domestically produced or imported frozen fish fillets meets minimum quality specifications for their own or their customers’ uses.

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

In addition, U.S. producers, importers, and purchasers were asked to assess how often differences other than price were significant in sales of frozen fish fillets from the United States, subject, or nonsubject countries. As seen in table II-12, most U.S. producers and purchasers considered there are “sometimes” differences other than price between U.S., Vietnamese, and nonsubject frozen fish fillets, while importer ***.

Table II-12
Frozen fish fillets: Significance of differences other than price between frozen fish fillets produced in the United States and in other countries, by country pair

Country pair	U.S. producers				U.S. importers				U.S. purchasers			
	A	F	S	N	A	F	S	N	A	F	S	N
United States vs. Vietnam	1	---	5	3	***	***	***	***	1	---	2	1
United States vs. Other	---	---	4	1	***	***	***	***	---	---	1	---
Vietnam vs. Other	---	---	3	1	***	***	***	***	1	---	1	1

Note: A = Always, F = Frequently, S = Sometimes, N = Never.

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

Elasticity estimates

This section discusses elasticity estimates; parties are encouraged to comment on these estimates and should do so as an attachment to their prehearing or posthearing brief.

U.S. supply elasticity

The domestic supply elasticity for frozen fish fillets measures the sensitivity of the quantity supplied by U.S. producers to changes in the U.S. market price of frozen fish fillets. The elasticity of domestic supply depends on several factors including the level of excess capacity, the ease with which producers can alter capacity, producers’ ability to shift to production of other products, the existence of inventories, catfish growing seasons, and the availability of alternate markets for U.S.-produced frozen fish fillets. Analysis of these factors above indicates that the U.S. industry is likely to be able to in the short run increase shipments to the U.S. market; an estimate in the range of 2 to 4 is suggested.

U.S. demand elasticity

The U.S. demand elasticity for frozen fish fillets measures the sensitivity of the overall quantity demanded to a change in the U.S. market price of frozen fish fillets. This estimate depends on factors discussed above such as the existence, availability, and commercial viability of substitute products, as well as the component share of the frozen fish fillets in the production of any downstream products. Based on the available information, the aggregate demand for frozen fish fillets is likely to be moderately inelastic to moderately elastic; a range of -0.5 to -1.5 is suggested.

Substitution elasticity

The elasticity of substitution depends upon the extent of product differentiation between the domestic and imported products.¹² Product differentiation, in turn, depends upon such factors as quality (e.g., flavor, smell, texture, etc.), physical characteristics (e.g., sizes(weights), types (regular, shank, or strip fillets), and conditions of sale (e.g., availability, sales terms/discounts/promotions, etc.). Based on available information, the elasticity of substitution between U.S.-produced frozen fish fillets and imported frozen fish fillets is likely to be in the range of 2 to 4. This is due to moderate levels of substitutability between domestic and imported frozen fish fillets from Vietnam.

¹² The substitution elasticity measures the responsiveness of the relative U.S. consumption levels of the subject imports and the domestic like products to changes in their relative prices. This reflects how easily purchasers switch from the U.S. product to the subject products (or vice versa) when prices change.

Part III: Condition of the U.S. industry

Overview

The information in this section of the report was compiled from responses to the Commission's questionnaires. Nine firms, which accounted for the vast majority of U.S. production of frozen catfish fillets during 2019, supplied information on their frozen catfish fillet operations in these reviews.¹

According to publicly available data, there were a total of 469 U.S. operations involved in the sale of foodsize catfish in 2018 (a figure that includes frozen catfish fillet producers as well as farms) and 81 U.S. operations involved in the distribution of catfish.² As noted in Part I, Mississippi and Alabama were the largest producing states. Since the previous review, the U.S. industry has generally experienced continued consolidation and increased efficiency.³ Since March 2020, the U.S. industry has reportedly experienced a difficult market due to the COVID-19 pandemic (since many of the industry's sales are to restaurants and foodservice providers) and, as a result, was eligible to participate in the USDA Coronavirus Food Assistance Program.⁴

Changes experienced by the industry

Domestic producers were asked to indicate whether their firm had experienced any plant openings, relocations, expansions, acquisitions, consolidations, closures, or prolonged shutdowns because of strikes or equipment failure; curtailment of production because of shortages of materials or other reasons, including revision of labor agreements; or any other change in the character of their operations or organization relating to the production of frozen

¹ Staff's coverage estimate is based on information received in the response to the Commission's notice of institution in this current review. Domestic interested parties provided a list of 14 known and currently operating U.S. producers of frozen catfish fillets, 7 of which individually responded to the Commission's notice of institution. The seven firms responding to the Commission's notice of institution in this review accounted for approximately *** percent of production of frozen catfish fillets in the United States during 2018. Domestic interested party's response to request for clarification and additional information regarding CFA's response to the notice of institution, November 19, 2019, exh. 4; and Domestic interested parties' response to notice of institution, October 31, 2019, exh. 7.

² USDA, NASS Quick Stats database (accessed August 7, 2020).

³ Data submitted in response to Commission questionnaires; Lutz, "U.S. Catfish Industry Enters a New Era," The Fish Site, July 28, 2020.

⁴ Mississippi Business Journal, "Catfish Producers Eligible for Assistance Program," June 1, 2020.

catfish fillets since 2014. Six of the nine responding domestic producers indicated that they had experienced such changes; their responses are presented in table III-1.

**Table III-1
Frozen fish fillets: U.S. producers' reported changes in operations**

Item / Firm	Reported changed in operations
Relocations:	
***	***
Expansions:	
***	***
Acquisitions:	
***	***
***	***
Prolonged shutdowns or curtailments:	
***	***
***	***
Revised labor agreements:	
***	***
Other:	
***	***
***	***

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

Anticipated changes in operations

The Commission asked domestic producers to report anticipated changes in the character of their operations relating to the production of frozen catfish fillets. The Commission received one response from *** – ***.

U.S. production, capacity, and capacity utilization

Table III-2 presents U.S. producers' production, capacity, and capacity utilization. U.S. producers' capacity increased from 113.6 million pounds in 2017 to 116.0 million pounds in 2018 and then decreased back to 113.6 million pounds in 2019.⁵ U.S. producers' production increased by 7.8 percent from 2017 to 2019, from 58.8 million pounds to 63.4 million pounds. Capacity utilization increased from 51.7 percent in 2017 to 55.8 percent in 2019, 4.1 percentage points higher than in 2017.⁶ U.S. producers' capacity and production were lower in interim 2020 compared with interim 2019 while capacity utilization was higher.

5 ***.

6 ***.

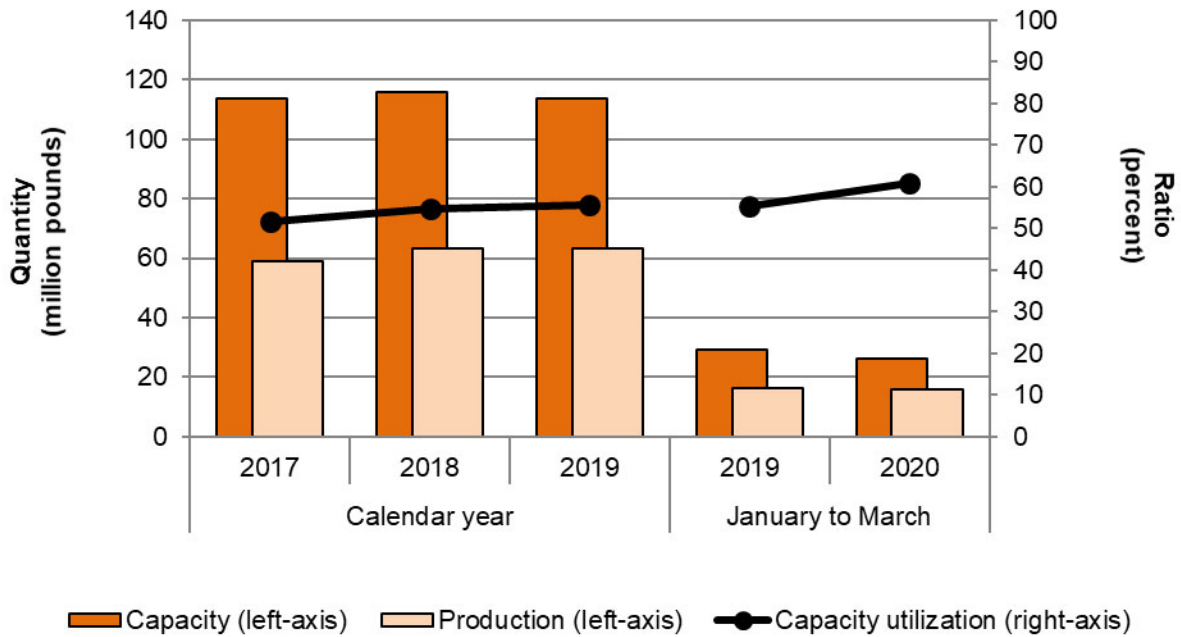
Table III-2
Frozen fish fillets: U.S. producers' production, capacity, and capacity utilization, 2017-19, January-March 2019, and January-March 2020

Item	Calendar year			January to March	
	2017	2018	2019	2019	2020
	Capacity (1,000 pounds)				
America's Catch	***	***	***	***	***
Consolidated Catfish	***	***	***	***	***
Guidry's	***	***	***	***	***
Haring	***	***	***	***	***
Harvest Select	***	***	***	***	***
Heartland	***	***	***	***	***
Pride of the Pond	***	***	***	***	***
Simmons	***	***	***	***	***
SouthFresh	***	***	***	***	***
All firms	113,607	115,994	113,566	29,148	26,013
	Production (1,000 pounds)				
America's Catch	***	***	***	***	***
Consolidated Catfish	***	***	***	***	***
Guidry's	***	***	***	***	***
Haring	***	***	***	***	***
Harvest Select	***	***	***	***	***
Heartland	***	***	***	***	***
Pride of the Pond	***	***	***	***	***
Simmons	***	***	***	***	***
SouthFresh	***	***	***	***	***
All firms	58,755	63,357	63,353	16,091	15,817
	Capacity utilization (percent)				
America's Catch	***	***	***	***	***
Consolidated Catfish	***	***	***	***	***
Guidry's	***	***	***	***	***
Haring	***	***	***	***	***
Harvest Select	***	***	***	***	***
Heartland	***	***	***	***	***
Pride of the Pond	***	***	***	***	***
Simmons	***	***	***	***	***
SouthFresh	***	***	***	***	***
All firms	51.7	54.6	55.8	55.2	60.8

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

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

Figure III-1
Frozen fish fillets: U.S. producers' capacity, production, and capacity utilization, 2017-19, January-March 2019, and January-March 2020



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

Alternative products

As shown in table III-3, 58.5 percent of the product produced during 2019 by U.S. producers on shared equipment was frozen catfish fillets. This was an increase from 55.9 percent in 2017. Correspondingly, out-of-scope merchandise production decreased from 44.1 percent to 41.5 percent from 2017-19.

Seven of the nine responding U.S. catfish processors stated that they are able to switch production (capacity) between frozen catfish fillets and other products using the same equipment and/or labor. Other products identified include fresh products, such as whole fish, fillets, strips, steak and nuggets, and frozen products such as frozen whole fish, steaks, and nuggets.

Table III-3
Frozen fish fillets: U.S. producers' overall capacity and production of products on the same machinery as frozen fish fillets, 2017-19, January-March 2019, and January-March 2020

Item	Calendar year			January to March	
	2017	2018	2019	2019	2020
	Quantity (1,000 pounds)				
Overall capacity	153,981	154,461	153,072	39,424	36,350
Production:					
Frozen fish fillets	58,755	63,357	63,353	16,091	15,817
Out-of-scope merchandise	46,418	43,592	44,918	11,979	11,357
Total production	105,173	106,949	108,271	28,070	27,174
	Ratios and shares (percent)				
Capacity utilization	68.3	69.2	70.7	71.2	74.8
Production:					
Frozen fish fillets	55.9	59.2	58.5	57.3	58.2
Out-of-scope merchandise	44.1	40.8	41.5	42.7	41.8
Total production	100.0	100.0	100.0	100.0	100.0

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

Constraints on capacity

Eight of the nine responding U.S. producers reported constraints in the manufacturing process. Constraints specified included labor availability, equipment capacity (including freezing capacity), market demand, and live fish supply, where seasonal variations in the size of live fish can have an impact on throughput.

U.S. producers' U.S. shipments and exports

Table III-4 presents U.S. producers' U.S. shipments, export shipments, and total shipments.

None of the responding U.S. catfish processors reported any export shipments or internal consumption during the period for which data were collected. *** firms, *** and ***, reported transfers to related firms in 2019, accounting for *** percent of U.S. producers' U.S. shipments, by quantity.

U.S. producers' U.S. shipments increased by 9.8 percent by quantity and by 1.1 percent by value in 2018, before declining by 3.0 percent by quantity and increasing by 1.2 percent by value in 2019. U.S. producers' U.S. shipments were lower both by quantity and by value in interim 2020 compared to interim 2019. Average unit values of U.S. producers' U.S. shipments declined from 2017-19, though they were higher in interim 2020 compared to interim 2019.

Table III-4

Frozen fish fillets: U.S. producers' U.S. shipments, export shipments, and total shipments, 2017-19, January-March 2019, and January-March 2020

Item	Calendar year			January to March	
	2017	2018	2019	2019	2020
	Quantity (1,000 pounds)				
Commercial shipments	***	***	***	***	***
Transfers to related firms	***	***	***	***	***
U.S. shipments	57,717	63,390	61,472	17,274	15,945
Export shipments	---	---	---	---	---
Total shipments	57,717	63,390	61,472	17,274	15,945
	Value (1,000 dollars)				
Commercial shipments	***	***	***	***	***
Transfers to related firms	***	***	***	***	***
U.S. shipments	254,502	257,354	260,427	73,443	68,875
Export shipments	---	---	---	---	---
Total shipments	254,502	257,354	260,427	73,443	68,875
	Unit value (dollars per pound)				
Commercial shipments	***	***	***	***	***
Transfers to related firms	***	***	***	***	***
U.S. shipments	4.41	4.06	4.24	4.25	4.32
Export shipments	---	---	---	---	---
Total shipments	4.41	4.06	4.24	4.25	4.32
	Share of quantity (percent)				
Commercial shipments	***	***	***	***	***
Transfers to related firms	***	***	***	***	***
U.S. shipments	100.0	100.0	100.0	100.0	100.0
Export shipments	---	---	---	---	---
Total shipments	100.0	100.0	100.0	100.0	100.0
	Share of value (percent)				
Commercial shipments	***	***	***	***	***
Transfers to related firms	***	***	***	***	***
U.S. shipments	100.0	100.0	100.0	100.0	100.0
Export shipments	---	---	---	---	---
Total shipments	100.0	100.0	100.0	100.0	100.0

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

U.S. producers' inventories

Table III-5 presents U.S. producers' end-of-period inventories and the ratio of these inventories to U.S. producers' production, U.S. shipments, and total shipments. U.S. producers' inventories increased by 23.9 percent from 2017-19 and were 68.0 percent higher in interim 2020 compared to interim 2019.⁷ The ratio of inventories relative to U.S. producers' production, U.S. shipments, and total shipment increased from 2017-19 and were higher in interim 2020 compared with interim 2019.

Table III-5
Frozen fish fillets: U.S. producers' inventories, 2017-19, January-March 2019, and January-March 2020

Item	Calendar year			January to March	
	2017	2018	2019	2019	2020
	Quantity (1,000 pounds)				
U.S. producers' end-of-period inventories	5,586	5,184	6,922	4,070	6,836
	Ratio (percent)				
Ratio of inventories to--					
U.S. production	9.5	8.2	10.9	6.3	10.8
U.S. shipments	9.7	8.2	11.3	5.9	10.7
Total shipments	9.7	8.2	11.3	5.9	10.7

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

U.S. producers' imports and purchases

Responding U.S. catfish processors did not report any imports of frozen basa and tra fillets from Vietnam from 2017-19. *** of 2019 U.S. production, of frozen fish fillets imported from Vietnam in 2019. Five U.S. producers reported purchasing frozen fish fillets produced in the United States or in other countries since 2014.

⁷ ***.

U.S. employment, wages, and productivity

Table III-6 shows U.S. producers' employment-related data. The number of production and related workers ("PRWs") engaged in the production of frozen catfish fillets remained relatively constant from 2017-19, although it was lower in interim 2020 compared with interim 2019.⁸ Hours worked per PRW also remained relatively constant from 2017-19, and were lower in interim 2020 compared with interim 2019. Hourly wages decreased by 11.3 percent from 2017-19, but were higher in interim 2020 compared with interim 2019. Unit labor costs decreased by 17.2 percent from 2017-19, and were lower in interim 2020 than in interim 2019. Productivity increased by 7.0 percent from 2017-19, and was higher in interim 2020 compared with interim 2019.

Table III-6
Frozen fish fillets: U.S. producers' employment related data, 2017-19, January-March 2019, and January-March 2020

Item	Calendar year			January to March	
	2017	2018	2019	2019	2020
Production and related workers (PRWs) (number)	2,406	2,384	2,422	2,357	2,204
Total hours worked (1,000 hours)	4,361	4,503	4,394	1,118	980
Hours worked per PRW (hours)	1,813	1,889	1,814	474	445
Wages paid (\$1,000)	50,958	54,395	45,521	12,984	11,459
Hourly wages (dollars per hour)	\$11.68	\$12.08	\$10.36	\$11.62	\$11.69
Productivity (pounds per hour)	13.5	14.1	14.4	14.4	16.1
Unit labor costs (dollars per pound)	\$0.87	\$0.86	\$0.72	\$0.81	\$0.72

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

⁸ This difference is due to ***.

Financial experience of U.S. catfish processors

Background

Eight U.S. producers, (America’s Catch, Consolidated Catfish, Guidry’s, Haring Catfish, Harvest Select, Heartland, Pride of the Pond, Simmons) reported usable financial results on their U.S. frozen catfish fillet operations.⁹ *** U.S. producers accounted for *** percent of the period’s total sales quantity: ***. The remaining U.S. producers accounted for company-specific shares of total sales quantity ranging from *** percent (***) to *** percent (***)).

The financial results reported by U.S. producers directly and/or indirectly reflect the following changes in operations during the period: ***.

Operations on frozen fish fillets

Income-and-loss data for the U.S. producers’ operations on frozen catfish fillets and corresponding changes in average per-pound values (“AUVs”) are presented in table III-7 and table III-8, respectively. Table III-9 and table III-10 present a variance analysis and selected company-specific financial information, respectively.¹⁰

⁹ The majority of U.S. producers reported their frozen catfish fillet operations on a GAAP basis. ***. As requested in the Commission’s U.S. producer questionnaire format, financial results were reported for calendar-year periods. While primarily reflecting frozen catfish fillets produced and sold by U.S. producers, the U.S. industry’s financial results also include a limited amount of purchased frozen catfish fillets (see footnote 14).

*** was unable to resolve discrepancies in its reported financial results and is therefore excluded from the U.S. industry’s financial results. USITC auditor notes. ***. *** U.S. producer questionnaire, response to II-2a. Email with attachments from *** to USITC staff, July 27, 2020.

¹⁰ The Commission’s traditional variance analysis is calculated in three parts: sales variance, cost of goods sold (“COGS”) variance, and selling, general, and administrative (“SG&A”) expenses variance. Each part consists of a price variance (in the case of the sales variance) or a cost or expense variance (in the case of the COGS and SG&A expense variances), and a volume variance. The sales or cost/expense variance is calculated as the change in unit price or per-unit cost/expense times the new volume, while the volume variance is calculated as the change in volume times the old unit price or per-unit cost/expense. As summarized at the bottom of the table, the price variance is from sales, the cost/expense variance is the sum of those items from COGS and SG&A variances, respectively, and the volume variance is the sum of the volume components of the net sales, COGS, and SG&A expenses variances. The Commission’s variance analysis is generally more meaningful when product mix and/or customer mix remain the same throughout the period.

Table III-7
Frozen fish fillets: Results of operations of U.S. producers, 2017-19, January-March 2019, and
January-March 2020

Item	Calendar year			January-March	
	2017	2018	2019	2019	2020
	Quantity (1,000 pounds)				
Total net sales quantity	54,554	60,467	59,468	16,318	16,139
	Value (1,000 dollars)				
Total net sales value	239,776	244,131	252,250	69,493	69,700
Cost of goods sold:					
Catfish from related growers	73,486	76,135	75,620	19,424	19,690
Catfish from unrelated growers	78,949	71,022	80,110	20,461	24,601
Total cost of live catfish	152,434	147,158	155,730	39,885	44,291
Other raw materials	1,240	1,969	2,297	1,031	825
Total raw material cost	153,675	149,127	158,028	40,916	45,116
Direct labor	24,402	27,761	28,980	7,687	8,067
Other processing costs	24,997	28,876	30,359	8,880	8,573
Less: byproduct revenue from offal	4,927	5,479	5,247	1,440	1,207
Total cost of goods sold	198,147	200,284	212,120	56,043	60,548
Gross profit or (loss)	41,629	43,847	40,130	13,450	9,152
SG&A expenses	21,131	24,193	24,135	6,256	6,057
Operating income or (loss)	20,498	19,654	15,995	7,195	3,095
Interest expense	***	***	***	***	***
Other expenses	***	***	***	***	***
Other income items	***	***	***	***	***
Net income or (loss)	28,494	23,503	26,041	12,268	2,174
Depreciation/amortization	3,258	3,171	3,298	788	834
Estimated cash flow from operations	31,752	26,674	29,340	13,056	3,009

Table continued on next page.

Table III-7—Continued
Frozen fish fillets: Results of operations of U.S. producers, 2017-19, January-March 2019, and
January-March 2020

Item	Calendar year			January-March	
	2017	2018	2019	2019	2020
	Ratio to net sales (percent)				
Cost of goods sold:					
Catfish from related growers	30.6	31.2	30.0	28.0	28.2
Catfish from unrelated growers	32.9	29.1	31.8	29.4	35.3
Total cost of live catfish	63.6	60.3	61.7	57.4	63.5
Other raw materials	0.5	0.8	0.9	1.5	1.2
Total raw material cost	64.1	61.1	62.6	58.9	64.7
Direct labor	10.2	11.4	11.5	11.1	11.6
Other processing costs	10.4	11.8	12.0	12.8	12.3
Less: byproduct revenue from offal	2.1	2.2	2.1	2.1	1.7
Total cost of goods sold	82.6	82.0	84.1	80.6	86.9
Gross profit or (loss)	17.4	18.0	15.9	19.4	13.1
SG&A expenses	8.8	9.9	9.6	9.0	8.7
Operating income or (loss)	8.5	8.1	6.3	10.4	4.4
Net income or (loss)	11.9	9.6	10.3	17.7	3.1
	Ratio to total COGS (percent)				
Cost of goods sold:					
Catfish from related growers	37.1	38.0	35.6	34.7	32.5
Catfish from unrelated growers	39.8	35.5	37.8	36.5	40.6
Total cost of live catfish	76.9	73.5	73.4	71.2	73.1
Other raw materials	0.6	1.0	1.1	1.8	1.4
Total raw material cost	77.6	74.5	74.5	73.0	74.5
Direct labor	12.3	13.9	13.7	13.7	13.3
Other processing costs	12.6	14.4	14.3	15.8	14.2
Less: byproduct revenue from offal	(2.5)	(2.7)	(2.5)	(2.6)	(2.0)
Total cost of goods sold	100.0	100.0	100.0	100.0	100.0

Table continued on next page.

Table III-7—Continued
Frozen fish fillets: Results of operations of U.S. producers, 2017-19, January-March 2019, and
January-March 2020

Item	Calendar year			January-March	
	2017	2018	2019	2019	2020
	Unit values (dollars per pound)				
Total net sales	4.40	4.04	4.24	4.26	4.32
Cost of goods sold:					
Total live catfish	2.79	2.43	2.62	2.44	2.74
Other raw materials	0.02	0.03	0.04	0.06	0.05
Total raw material cost	2.82	2.47	2.66	2.51	2.80
Direct labor	0.45	0.46	0.49	0.47	0.50
Other processing costs	0.46	0.48	0.51	0.54	0.53
Less: byproduct revenue from offal	0.09	0.09	0.09	0.09	0.07
Total cost of goods sold	3.63	3.31	3.57	3.43	3.75
Gross profit or (loss)	0.76	0.73	0.67	0.82	0.57
SG&A expenses	0.39	0.40	0.41	0.38	0.38
Operating income or (loss)	0.38	0.33	0.27	0.44	0.19
Net income or (loss)	0.52	0.39	0.44	0.75	0.13
	Number of firms reporting				
Operating losses	***	***	***	***	***
Net losses	***	***	***	***	***
Data	8	8	8	8	8

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

Table III-8
Frozen fish fillets: Changes in AUVs, 2017-19, January-March 2019 and January-March 2020

Item	Between calendar years			January-March
	2017-19	2017-18	2018-19	2019-20
Changes in AUVs (percent)				
Total net sales	▼(3.5)	▼(8.1)	▲5.1	▲1.4
Cost of goods sold.--				
Total live catfish	▼(6.3)	▼(12.9)	▲7.6	▲12.3
Other raw materials	▲69.9	▲43.3	▲18.6	▼(19.1)
Total raw materials	▼(5.7)	▼(12.4)	▲7.7	▲11.5
Direct labor	▲8.9	▲2.6	▲6.1	▲6.1
Other factory costs	▲11.4	▲4.2	▲6.9	▼(2.4)
Less: byproduct revenue from offal	▼(2.3)	▲0.3	▼(2.6)	▼(15.2)
Average COGS	▼(1.8)	▼(8.8)	▲7.7	▲9.2
Changes in AUVs (dollars per pound)				
Total net sales	▼(0.15)	▼(0.36)	▲0.20	▲0.06
Cost of goods sold.--				
Total live catfish	▼(0.18)	▼(0.36)	▲0.19	▲0.30
Other raw materials	▲0.02	▲0.01	▲0.01	▼(0.01)
Total raw materials	▼(0.16)	▼(0.35)	▲0.19	▲0.29
Direct labor	▲0.04	▲0.01	▲0.03	▲0.03
Other factory costs	▲0.05	▲0.02	▲0.03	▼(0.01)
Less: byproduct revenue from offal	▼(0.00)	▲0.00	▼(0.00)	▼(0.01)
Average COGS	▼(0.07)	▼(0.32)	▲0.25	▲0.32
Gross profit	▼(0.09)	▼(0.04)	▼(0.05)	▼(0.26)
SG&A expenses	▲0.02	▲0.01	▲0.01	▼(0.01)
Operating income or (loss)	▼(0.11)	▼(0.05)	▼(0.06)	▼(0.25)
Net income or (loss)	▼(0.08)	▼(0.13)	▲0.05	▼(0.62)

Note.--Change in AUVs (dollars per pound) shown as "0.00" represent values greater than zero, but less than "0.005" cents.

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

Table III-9**Frozen fish fillets: Variance analysis of financial results of U.S. producers, 2017-19, January-March 2019 and January-March 2020**

Item	Calendar year			January-March
	2017-19	2017-18	2018-19	2019-20
	Value (1,000 dollars)			
Total net sales:				
Price variance	(9,125)	(21,635)	12,153	972
Volume variance	21,599	25,991	(4,034)	(765)
Total net sales variance	12,474	4,355	8,119	207
Net cost of sales:				
Cost variance	3,876	19,340	(15,145)	(5,123)
Volume variance	(17,849)	(21,478)	3,309	617
Total net cost of sales variance	(13,973)	(2,138)	(11,835)	(4,505)
Gross profit variance	(1,499)	2,218	(3,716)	(4,298)
SG&A expenses:				
Expense variance	(1,101)	(772)	(342)	129
Volume variance	(1,904)	(2,290)	400	69
Total SG&A expenses variance	(3,004)	(3,062)	58	198
Operating income variance	(4,503)	(844)	(3,658)	(4,100)
Summarized as:				
Price variance	(9,125)	(21,635)	12,153	972
Net cost/expense variance	2,776	18,569	(15,486)	(4,993)
Net volume variance	1,847	2,222	(325)	(79)

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

Table III-10**Frozen fish fillets: Results of operations of U.S. producers, by firm, 2017-19, January-March 2019, and January-March 2020**

Item	Calendar year			January-March	
	2017	2018	2019	2019	2020
	Total net sales quantity (1,000 pounds)				
America's Catch	***	***	***	***	***
Consolidated Catfish	***	***	***	***	***
Guidry's	***	***	***	***	***
Haring Catfish	***	***	***	***	***
Harvest Select	***	***	***	***	***
Heartland	***	***	***	***	***
Pride of the Pond	***	***	***	***	***
Simmons	***	***	***	***	***
All firms	54,554	60,467	59,468	16,318	16,139

Table continued on next page.

Table III-10—Continued
Frozen fish fillets: Results of operations of U.S. producers, by firm, 2017-19, January-March 2019,
and January-March 2020

Item	Calendar year			January-March	
	2017	2018	2019	2019	2020
	Total net sales value (1,000 dollars)				
America's Catch	***	***	***	***	***
Consolidated Catfish	***	***	***	***	***
Guidry's	***	***	***	***	***
Haring Catfish	***	***	***	***	***
Harvest Select	***	***	***	***	***
Heartland	***	***	***	***	***
Pride of the Pond	***	***	***	***	***
Simmons	***	***	***	***	***
All firms	239,776	244,131	252,250	69,493	69,700
	COGS (1,000 dollars)				
America's Catch	***	***	***	***	***
Consolidated Catfish	***	***	***	***	***
Guidry's	***	***	***	***	***
Haring Catfish	***	***	***	***	***
Harvest Select	***	***	***	***	***
Heartland	***	***	***	***	***
Pride of the Pond	***	***	***	***	***
Simmons	***	***	***	***	***
All firms	198,147	200,284	212,120	56,043	60,548
	Gross profit or (loss) (1,000 dollars)				
America's Catch	***	***	***	***	***
Consolidated Catfish	***	***	***	***	***
Guidry's	***	***	***	***	***
Haring Catfish	***	***	***	***	***
Harvest Select	***	***	***	***	***
Heartland	***	***	***	***	***
Pride of the Pond	***	***	***	***	***
Simmons	***	***	***	***	***
All firms	41,629	43,847	40,130	13,450	9,152
	SG&A expenses (1,000 dollars)				
America's Catch	***	***	***	***	***
Consolidated Catfish	***	***	***	***	***
Guidry's	***	***	***	***	***
Haring Catfish	***	***	***	***	***
Harvest Select	***	***	***	***	***
Heartland	***	***	***	***	***
Pride of the Pond	***	***	***	***	***
Simmons	***	***	***	***	***
All firms	21,131	24,193	24,135	6,256	6,057

Table continued on next page.

Table III-10—Continued
Frozen fish fillets: Results of operations of U.S. producers, by firm, 2017-19, January-March 2019,
and January-March 2020

Item	Calendar year			January-March	
	2017	2018	2019	2019	2020
	Operating income or (loss) (1,000 dollars)				
America's Catch	***	***	***	***	***
Consolidated Catfish	***	***	***	***	***
Guidry's	***	***	***	***	***
Haring Catfish	***	***	***	***	***
Harvest Select	***	***	***	***	***
Heartland	***	***	***	***	***
Pride of the Pond	***	***	***	***	***
Simmons	***	***	***	***	***
All firms	20,498	19,654	15,995	7,195	3,095
	Net income or (loss) (1,000 dollars)				
America's Catch	***	***	***	***	***
Consolidated Catfish	***	***	***	***	***
Guidry's	***	***	***	***	***
Haring Catfish	***	***	***	***	***
Harvest Select	***	***	***	***	***
Heartland	***	***	***	***	***
Pride of the Pond	***	***	***	***	***
Simmons	***	***	***	***	***
All firms	28,494	23,503	26,041	12,268	2,174
	COGS to net sales (percent)				
America's Catch	***	***	***	***	***
Consolidated Catfish	***	***	***	***	***
Guidry's	***	***	***	***	***
Haring Catfish	***	***	***	***	***
Harvest Select	***	***	***	***	***
Heartland	***	***	***	***	***
Pride of the Pond	***	***	***	***	***
Simmons	***	***	***	***	***
All firms	82.6	82.0	84.1	80.6	86.9
	Gross profit or (loss) to net sales (percent)				
America's Catch	***	***	***	***	***
Consolidated Catfish	***	***	***	***	***
Guidry's	***	***	***	***	***
Haring Catfish	***	***	***	***	***
Harvest Select	***	***	***	***	***
Heartland	***	***	***	***	***
Pride of the Pond	***	***	***	***	***
Simmons	***	***	***	***	***
All firms	17.4	18.0	15.9	19.4	13.1

Table continued on next page.

Table III-10—Continued
Frozen fish fillets: Results of operations of U.S. producers, by firm, 2017-19, January-March 2019,
and January-March 2020

Item	Calendar year			January-March	
	2017	2018	2019	2019	2020
	SG&A expenses to net sales (percent)				
America's Catch	***	***	***	***	***
Consolidated Catfish	***	***	***	***	***
Guidry's	***	***	***	***	***
Haring Catfish	***	***	***	***	***
Harvest Select	***	***	***	***	***
Heartland	***	***	***	***	***
Pride of the Pond	***	***	***	***	***
Simmons	***	***	***	***	***
All firms	8.8	9.9	9.6	9.0	8.7
	Operating income or (loss) to net sales (percent)				
America's Catch	***	***	***	***	***
Consolidated Catfish	***	***	***	***	***
Guidry's	***	***	***	***	***
Haring Catfish	***	***	***	***	***
Harvest Select	***	***	***	***	***
Heartland	***	***	***	***	***
Pride of the Pond	***	***	***	***	***
Simmons	***	***	***	***	***
All firms	8.5	8.1	6.3	10.4	4.4
	Net income or (loss) to net sales (percent)				
America's Catch	***	***	***	***	***
Consolidated Catfish	***	***	***	***	***
Guidry's	***	***	***	***	***
Haring Catfish	***	***	***	***	***
Harvest Select	***	***	***	***	***
Heartland	***	***	***	***	***
Pride of the Pond	***	***	***	***	***
Simmons	***	***	***	***	***
All firms	11.9	9.6	10.3	17.7	3.1
	Unit net sales value (dollars per pound)				
America's Catch	***	***	***	***	***
Consolidated Catfish	***	***	***	***	***
Guidry's	***	***	***	***	***
Haring Catfish	***	***	***	***	***
Harvest Select	***	***	***	***	***
Heartland	***	***	***	***	***
Pride of the Pond	***	***	***	***	***
Simmons	***	***	***	***	***
All firms	4.40	4.04	4.24	4.26	4.32

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Table III-10—Continued
Frozen fish fillets: Results of operations of U.S. producers, by firm, 2017-19, January-March 2019,
and January-March 2020

Item	Calendar year			January-March	
	2017	2018	2019	2019	2020
	Unit raw material cost (dollars per pound)				
America's Catch	***	***	***	***	***
Consolidated Catfish	***	***	***	***	***
Guidry's	***	***	***	***	***
Haring Catfish	***	***	***	***	***
Harvest Select	***	***	***	***	***
Heartland	***	***	***	***	***
Pride of the Pond	***	***	***	***	***
Simmons	***	***	***	***	***
All firms	2.82	2.47	2.66	2.51	2.80
	Unit direct labor (dollars per pound)				
America's Catch	***	***	***	***	***
Consolidated Catfish	***	***	***	***	***
Guidry's	***	***	***	***	***
Haring Catfish	***	***	***	***	***
Harvest Select	***	***	***	***	***
Heartland	***	***	***	***	***
Pride of the Pond	***	***	***	***	***
Simmons	***	***	***	***	***
All firms	0.45	0.46	0.49	0.47	0.50
	Unit other processing costs (dollars per pound)				
America's Catch	***	***	***	***	***
Consolidated Catfish	***	***	***	***	***
Guidry's	***	***	***	***	***
Haring Catfish	***	***	***	***	***
Harvest Select	***	***	***	***	***
Heartland	***	***	***	***	***
Pride of the Pond	***	***	***	***	***
Simmons	***	***	***	***	***
All firms	0.46	0.48	0.51	0.54	0.53
	Unit by product revenue (dollars per pound)				
America's Catch	***	***	***	***	***
Consolidated Catfish	***	***	***	***	***
Guidry's	***	***	***	***	***
Haring Catfish	***	***	***	***	***
Harvest Select	***	***	***	***	***
Heartland	***	***	***	***	***
Pride of the Pond	***	***	***	***	***
Simmons	***	***	***	***	***
All firms	0.09	0.09	0.09	0.09	0.07

Table continued on next page.

Table III-10—Continued
Frozen fish fillets: Results of operations of U.S. producers, by firm, 2017-19, January-March 2019,
and January-March 2020

Item	Calendar year			January-March	
	2017	2018	2019	2019	2020
	Unit COGS (dollars per pound)				
America's Catch	***	***	***	***	***
Consolidated Catfish	***	***	***	***	***
Guidry's	***	***	***	***	***
Haring Catfish	***	***	***	***	***
Harvest Select	***	***	***	***	***
Heartland	***	***	***	***	***
Pride of the Pond	***	***	***	***	***
Simmons	***	***	***	***	***
All firms	3.63	3.31	3.57	3.43	3.75
	Unit gross profit or (loss) (dollars per pound)				
America's Catch	***	***	***	***	***
Consolidated Catfish	***	***	***	***	***
Guidry's	***	***	***	***	***
Haring Catfish	***	***	***	***	***
Harvest Select	***	***	***	***	***
Heartland	***	***	***	***	***
Pride of the Pond	***	***	***	***	***
Simmons	***	***	***	***	***
All firms	0.76	0.73	0.67	0.82	0.57
	Unit SG&A expense (dollars per pound)				
America's Catch	***	***	***	***	***
Consolidated Catfish	***	***	***	***	***
Guidry's	***	***	***	***	***
Haring Catfish	***	***	***	***	***
Harvest Select	***	***	***	***	***
Heartland	***	***	***	***	***
Pride of the Pond	***	***	***	***	***
Simmons	***	***	***	***	***
All firms	0.39	0.40	0.41	0.38	0.38
	Unit operating income or (loss) (dollars per pound)				
America's Catch	***	***	***	***	***
Consolidated Catfish	***	***	***	***	***
Guidry's	***	***	***	***	***
Haring Catfish	***	***	***	***	***
Harvest Select	***	***	***	***	***
Heartland	***	***	***	***	***
Pride of the Pond	***	***	***	***	***
Simmons	***	***	***	***	***
All firms	0.38	0.33	0.27	0.44	0.19

Table continued on next page.

Table III-10—Continued
Frozen fish fillets: Results of operations of U.S. producers, by firm, 2017-19, January-March 2019,
and January-March 2020

Item	Calendar year			January-March	
	2017	2018	2019	2019	2020
	Unit net income or (loss) (dollars per pound)				
America's Catch	***	***	***	***	***
Consolidated Catfish	***	***	***	***	***
Guidry's	***	***	***	***	***
Haring Catfish	***	***	***	***	***
Harvest Select	***	***	***	***	***
Heartland	***	***	***	***	***
Pride of the Pond	***	***	***	***	***
Simmons	***	***	***	***	***
All firms	0.52	0.39	0.44	0.75	0.13

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

Revenue

On a volume basis, the majority of frozen catfish fillet revenue reflects commercial sales (***) percent of the period's total revenue) with a relatively small amount (***) percent) reflecting transfer sales.¹¹ Given the predominance of commercial sales, a single line sales item is presented in the tables above.

Sales quantity

The U.S. industry's total sales quantity increased by 10.8 percent between 2017 and 2018, declined by 1.7 percent between 2018 and 2019, and was 1.1 percent lower in January-March 2020 compared to January-March 2019. Directionally, most U.S. producers reported the same pattern of increasing total sales quantity between 2017 and 2018 but were mixed in terms of reporting increases and decreases in sales quantity between 2018 and 2019. ***

¹¹ ***. Submission by *** on behalf of ***, July 23, 2020. ***. Submission by *** on behalf of ***, July 20, 2020.

***.¹² In January-March 2020, the pattern was again more uniform with most U.S. producers reporting lower sales quantity compared to January-March 2019.

Sales value

As shown in table III-8, average per-pound sales value and cost of live catfish shared the same directional pattern throughout the period.¹³ On a company-specific basis, most U.S. producers reported the same directional pattern of lower average per-pound sales values between 2017 and 2018 followed by higher average per-pound sales values between 2018 and 2019. In January-March 2020 compared to January-March 2019, U.S. producers reported a mixed pattern of higher and lower average per-pound sales values.

In conjunction with changes in sales quantity and corresponding average per-pound sales values, the U.S. industry's total sales value increased throughout the full-year period and was marginally higher in January-March 2020 compared to January-March 2019.

Cost of goods sold

Raw materials

As a share of total frozen catfish fillet COGS (after byproduct offset), total raw material cost is the largest component, ranging from 73.0 percent (January-March 2019) to 77.6 percent (2017). These shares in turn largely reflect corresponding changes in the per-pound cost of live catfish, which declined to its lowest full-year level in 2018, increased in 2019, remaining below the highest level of the period reported in 2017, and was higher in January-March 2020 compared to January-March 2019 (see table III-7).

¹² ***. Submission by *** on behalf of ***, July 16, 2020.

¹³ This direct relationship was confirmed by several U.S. producers. ***. Submission by *** on behalf of ***, July 14, 2020. ***. Submission by *** on behalf of ***, July 14, 2020.

While total raw material cost primarily reflects live catfish supplied by related and unrelated growers, it also includes a small share of “other raw material costs.”¹⁴ The relative shares of total COGS accounted for by live catfish supplied by related growers and unrelated growers fluctuated on an overall basis but remained in a similar range throughout the period. On a company-specific basis, however, there were some notable variations.^{15 16}

Direct labor, other processing costs, and byproduct deduction

Direct labor and other processing costs accounted for similar shares of total COGS (after byproduct offset): direct labor ranging from 12.3 percent of total COGS (2017) to 13.9 percent (2018) and other processing costs ranging from 12.6 percent (2017) to 15.8 percent (January-March 2019). On a per-pound basis, direct labor and other processing costs shared the same

¹⁴ ***. Submission by *** on behalf of ***, July 14, 2020. ***. Submission by *** on behalf of ***, July 20, 2020. Submission by *** on behalf of ***, July 27, 2020. USITC auditor notes.

¹⁵ ***. Submission by *** on behalf of ***, July 16, 2020. ***. Submission by *** on behalf of ***, July 16, 2020.

¹⁶ The majority of U.S. producers reported purchasing live catfish from both related and unrelated growers. ***. Submission by *** on behalf of ***, July 14, 2020. ***. Submission by *** on behalf of ***, July 20, 2020.

overall pattern of overall increases during the full-year period but diverged in January-March 2020 compared to January-March 2019 with per-pound direct labor and other processing costs modestly higher and lower, respectively.¹⁷

As a deduction to determine net COGS, byproduct revenue (offal) remained about the same throughout the period as a ratio of COGS (2.0 percent (January-March 2020) to 2.7 percent (2018)). Byproduct revenue was also essentially the same throughout the period on a per-pound basis. ***.¹⁸

Total COGS

While average per-pound COGS declined in 2018, reflecting a reduction in average per-pound live catfish cost that more than offset higher corresponding per-pound direct labor and processing costs, total frozen catfish fillet COGS increased in conjunction with higher total sales quantity. Notwithstanding a modest decline in total sales quantity in 2019, total COGS increased to its highest full-year level in that year in conjunction with an increase in average per-pound COGS, reflecting per-pound cost increases in all of the primary components of COGS. While total sales quantity was lower in January-March 2020 compared to January-March 2019, total COGS was higher due to an increase in average per-pound COGS, principally reflecting higher average per-pound live catfish cost.

¹⁷ ***. Submission by *** on behalf of ***, July 16, 2020. ***. Submission by *** on behalf of ***, July 16, 2020.

¹⁸ ***. USITC auditor notes. ***.

Gross profit or loss

Total gross profit increased to its highest level in 2018, reflecting an increase in total sales value that more than offset the corresponding increase in total COGS. Despite an increase in total sales value, total gross profit declined in 2019, reflecting a larger increase in total COGS. Gross profit ratio (total gross profit divided by total sales) fluctuated during the period: expanding to its highest full-year level in 2018, declining in 2019, and then lower in January-March 2020 compared to January-March 2019.¹⁹ The underlying source of the fluctuations in gross profit ratios is shown in table III-8 and reflects the divergence in the percentage changes in average per-pound sales value and corresponding percentage changes in average per-pound COGS.

*** U.S. producers, whose financial results are presented in this section of the report, generated gross profit throughout the period.

SG&A expenses

In conjunction with an increase in total sales quantity in 2018, total SG&A expenses increased to its highest full-year level in 2018. Total SG&A expenses declined modestly in 2019, in conjunction with a decline in total sales quantity, and were also lower in January-March 2020 compared to January-March 2019.

Total SG&A expense ratio (total SG&A expenses divided by total sales) increased somewhat in 2018, offsetting the above-noted increase in 2018 gross profit ratio. In 2019, SG&A expenses ratio declined marginally and was lower in January-March 2020 compared to January-March 2019. Table III-10 shows that, while U.S. producers reported a relatively wide range of SG&A expense ratios, company-specific SG&A expense ratios remained within relatively narrow ranges throughout the period.

¹⁹ When considering interim period financial results and the matching of revenue and costs, COGS reflects estimated average days in inventory ranging from *** days with most U.S. producers reporting average days in inventory of around *** days. *** reported the fewest days in inventory, around *** days. Submission by *** on behalf of ***, July 14, 2020. Submission by *** on behalf of ***, July 14, 2020. Submission by *** on behalf of ***, July 23, 2020. Submission by *** on behalf of ***, July 16, 2020. ***. Submission by *** on behalf of ***, July 20, 2020.

Operating income or loss

The majority of U.S. producers reported operating income of varying magnitude throughout the period. While several U.S. producers reported intermittent operating losses, *** was the *** that reported operating losses throughout the period.²⁰

Net income or loss

Directionally, the U.S. industry's total operating income and net income shared the same declining pattern between 2017 and 2018 and the interim periods. In contrast, between 2018 and 2019 operating income declined while net income increased. The larger level of net income throughout the period reflects the presence of other income, which more than offset corresponding interest expense and other expenses. Other income, which includes Byrd amendment receipts, was reported by *** U.S. processors with the exception of ***.²¹

The majority of U.S. producers reported net income throughout the period.²² Several U.S. producers reported full-year net income but net losses in January-March 2020. ***, which reported operating losses throughout the period, reported net losses in 2017, 2018, and January-March 2020.

Capital expenditures and research and development expenses

Table III-11 presents U.S. producers' total capital expenditures and research and development ("R&D") expenses. Table III-12 presents firm-specific narrative descriptions of capital expenditures. ***.

²⁰ ***. Email with attachments from *** to USITC staff, July 27, 2020.

²¹ Submission by *** on behalf of ***, July 14, 2020. Submission by *** on behalf of ***, July 23, 2020. Submission by *** on behalf of ***, July 27, 2020.

²² ***. Submission by *** on behalf of ***, July 20, 2020.

Table III-11

Frozen fish fillets: Capital expenditures and R&D expenses of U.S. producers, by firm, 2017-19, January-March 2019, and January-March 2020

Item	Calendar year			January-March	
	2017	2018	2019	2019	2020
Capital expenditures (1,000 dollars)					
All firms	5,286	3,506	7,730	681	1,390
R&D expenses (1,000 dollars)					
All firms	***	***	***	***	***

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

Table III-12

Frozen fish fillets: Narrative descriptions of U.S. producers' capital expenditures since January 1, 2017

Capital expenditures:	
Firm	Narrative
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***

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

Assets and return on assets

Table III-13 presents data on the U.S. processors' total assets and return on assets ("ROA").

Table III-13

Frozen fish fillets: U.S. producers' total assets and return on assets, 2017-19

Item	Calendar year		
	2017	2018	2019
Total net assets (1,000 dollars)			
All firms	98,499	115,026	107,381
Operating return on assets (percent)			
All firms	20.8	17.1	14.9

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

Part IV: U.S. imports and the foreign industries

U.S. imports

Overview

The Commission issued questionnaires to 48 firms believed to be possible importers of frozen basa and tra fillets between 2017 to 2019. Four firms provided data and information in response to the questionnaires, while 17 firms indicated that they had not imported product during the period for which data were collected.¹ Based on official Commerce statistics for imports of frozen fish fillets, importers' questionnaire data accounted *** percent of total U.S. imports during 2017-19 and *** percent of total subject imports during 2017-19.

In light of the data coverage by the Commission's questionnaires, import data in this report are based on official Commerce statistics for frozen fish fillets.²

¹ The Commission issued questionnaires to firms identified in the responses to the Commission's notice of institution, along with firms that, based on a review of data provided by U.S. Customs and Border Protection ("Customs"), may have accounted for more than one percent of total 2019 imports (January through November) from Vietnam under HTS statistical reporting number 0304.62.0020. Twenty-seven firms did not respond to the Commission's questionnaire.

² Based on HTSUS statistical reporting numbers 0304.62.0010, 0304.62.0020, 0304.62.0030, and 0304.62.0090 under which frozen fish fillets in the catfish family, including ichaluridae, basa and tra are imported. Subject imports from Vietnam entered under statistical reporting numbers 0304.62.0020 and 0304.62.0030 during period for which data were collected. ***.

Imports from subject and nonsubject countries

Table IV-1 present information on U.S. imports of frozen fish fillets from Vietnam and all other sources over the period examined. U.S. imports of frozen fish fillets from Vietnam declined from 2017-19, decreasing by 19.8 percent by quantity in 2019 (from 230.2 million pounds in 2017 to 184.6 million pounds), and 5.6 percent by value (from 358.2 million dollars in 2017 to 338.3 million dollars). During the same period, U.S. imports of frozen fish fillets from nonsubject sources decreased by 7.0 percent by quantity in 2019 (from 12.2 million pounds in 2017 to 11.3 million pounds) and 17.0 percent by value (from 37.4 million dollars in 2017 to 31.0 million dollars). Subject imports from Vietnam under HTSUS statistical reporting number 0304.62.0020 declined from 230.2 million pounds in 2017 to 116.4 million pounds in 2019, while subject imports from Vietnam under HTSUS statistical reporting number 0304.62.0030 increased from 39.0 thousand pounds in 2017 to 68.2 million pounds in 2019.

Table IV-1
Frozen fish fillets: U.S. imports, by source, 2017-19, January-March 2019, and January-March 2020

Item	Calendar year			January to March	
	2017	2018	2019	2019	2020
	Quantity (1,000 pounds)				
U.S. imports of basa/tra from.-- Vietnam (HTS 0304.62.0020)	230,184	204,599	116,394	43,382	28,990
Vietnam (HTS 0304.62.0030)	39	48,720	68,222	15,163	20,058
Total U.S. subject imports	230,223	253,319	184,616	58,545	49,048
Nonsubject sources	---	285	1,364	1,277	---
All import sources	230,223	253,604	185,979	59,822	49,048
U.S. imports other than basa/tra from.-- Nonsubject sources	12,172	12,245	9,958	1,790	3,368
U.S. imports from.-- Subject sources	230,223	253,319	184,616	58,545	49,048
Nonsubject sources	12,172	12,530	11,322	3,067	3,368
All import sources	242,394	265,849	195,937	61,612	52,416
	Value (1,000 dollars)				
U.S. imports of basa/tra from.-- Vietnam (HTS 0304.62.0020)	358,137	418,854	216,262	97,605	40,202
Vietnam (HTS 0304.62.0030)	46	112,722	122,023	33,294	29,194
Total U.S. subject imports	358,182	531,576	338,284	130,899	69,396
Nonsubject sources	---	667	3,453	3,216	---
All import sources	358,182	532,243	341,737	134,115	69,396
U.S. imports other than basa/tra from.-- Nonsubject sources	37,338	33,247	27,525	4,804	7,955
U.S. imports from.-- Subject sources	358,182	531,576	338,284	130,899	69,396
Nonsubject sources	37,338	33,914	30,977	8,020	7,955
All import sources	395,520	565,490	369,262	138,919	77,352
	Unit value (dollars per pound)				
U.S. imports of basa/tra from.-- Vietnam (HTS 0304.62.0020)	1.56	2.05	1.86	2.25	1.39
Vietnam (HTS 0304.62.0030)	1.17	2.31	1.79	2.20	1.46
Total U.S. subject imports	1.56	2.10	1.83	2.24	1.41
Nonsubject sources	---	2.34	2.53	2.52	---
All import sources	1.56	2.10	1.84	2.24	1.41
U.S. imports other than basa/tra from.-- Nonsubject sources	3.07	2.72	2.76	2.68	2.36
U.S. imports from.-- Subject sources	1.56	2.10	1.83	2.24	1.41
Nonsubject sources	3.07	2.71	2.74	2.61	2.36
All import sources	1.63	2.13	1.88	2.25	1.48

Table continued on next page.

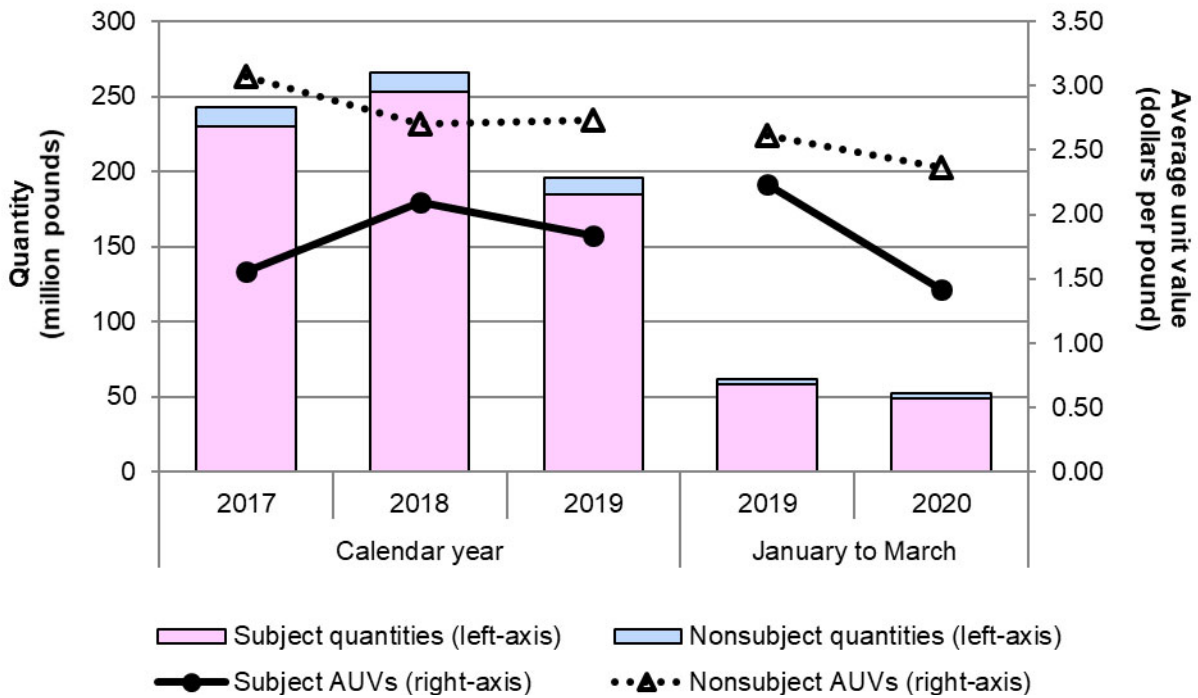
Table IV-1—Continued
Frozen fish fillets: U.S. imports, by source, 2017-19, January-March 2019, and January-March 2020

Item	Calendar year			January to March	
	2017	2018	2019	2019	2020
	Share of quantity (percent)				
U.S. imports of basa/tra from.-- Vietnam (HTS 0304.62.0020)	95.0	77.0	59.4	70.4	55.3
Vietnam (HTS 0304.62.0030)	0.0	18.3	34.8	24.6	38.3
Total U.S. subject imports	95.0	95.3	94.2	95.0	93.6
Nonsubject sources	---	0.1	0.7	2.1	---
All import sources	95.0	95.4	94.9	97.1	93.6
U.S. imports other than basa/tra from.-- Nonsubject sources	5.0	4.6	5.1	2.9	6.4
U.S. imports from.-- Subject sources	95.0	95.3	94.2	95.0	93.6
Nonsubject sources	5.0	4.7	5.8	5.0	6.4
All import sources	100.0	100.0	100.0	100.0	100.0
	Share of value (percent)				
U.S. imports of basa/tra from.-- Vietnam (HTS 0304.62.0020)	90.5	74.1	58.6	70.3	52.0
Vietnam (HTS 0304.62.0030)	0.0	19.9	33.0	24.0	37.7
Total U.S. subject imports	90.6	94.0	91.6	94.2	89.7
Nonsubject sources	---	0.1	0.9	2.3	---
All import sources	90.6	94.1	92.5	96.5	89.7
U.S. imports other than basa/tra from.-- Nonsubject sources	9.4	5.9	7.5	3.5	10.3
U.S. imports from.-- Subject sources	90.6	94.0	91.6	94.2	89.7
Nonsubject sources	9.4	6.0	8.4	5.8	10.3
All import sources	100.0	100.0	100.0	100.0	100.0
	Ratio to U.S. production (percent)				
U.S. imports of basa/tra from.-- Vietnam (HTS 0304.62.0020)	391.8	322.9	183.7	269.6	183.3
Vietnam (HTS 0304.62.0030)	0.1	76.9	107.7	94.2	126.8
Total U.S. subject imports	391.8	399.8	291.4	363.8	310.1
Nonsubject sources	---	0.4	2.2	7.9	---
All import sources	391.8	400.3	293.6	371.8	310.1
U.S. imports other than basa/tra from.-- Nonsubject sources	20.7	19.3	15.7	11.1	21.3
U.S. imports from.-- Subject sources	391.8	399.8	291.4	363.8	310.1
Nonsubject sources	20.7	19.8	17.9	19.1	21.3
All import sources	412.6	419.6	309.3	382.9	331.4

Note.--Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

Source: Official U.S. import statistics using HTS statistical reporting numbers 0304.62.0010, 0304.62.0020, 0304.62.0030, and 0304.62.0090 accessed August 7, 2020.

Figure IV-1
Frozen fish fillets: U.S. import quantities and average unit values, 2017-19, January to March 2019, and January to March 2020



Source: Official U.S. import statistics using HTS statistical reporting numbers 0304.62.0010, 0304.62.0020, 0304.62.0030, and 0304.62.0090, accessed August 7, 2020.

U.S. importers' imports subsequent to March 31, 2020

The Commission requested importers to indicate whether they had imported or arranged for the importation of frozen basa and tra fillets from Vietnam for delivery after March 31, 2020. ***.

U.S. importers' inventories

One of the four responding importers, *** reported *** pounds of inventory of subject merchandise at the end of 2017, equivalent to *** percent of its U.S. imports in 2017, while ***. ***.

Subject country producers

Vietnam is by far the world's leading exporter of fish classified under HTS 0304.62.00. China, the United States, and the EU were Vietnam's three largest markets for these exports and accounted for a combined 67.0 percent of them in 2019.³

The industry in Vietnam

Overview

The Commission sent questionnaires to 85 firms believed to be possible producers of frozen fish fillets in Vietnam. The Commission did not receive any completed questionnaire responses, while three firms responded that they had not produced or exported frozen fish fillets at any time since January 1, 2014. Export data for 2018 were received in the response to the notice of institution from 28 participating members of the Vietnam Association of Seafood Exporters and Producers ("VASEP"), an association that includes Vietnamese producers and/or exporters of frozen fish fillets. In its response to the notice of institution, VASEP indicated that it believes that the amount exported by its participating members represents *** exports to the United States during 2018. The aggregate share of total production of frozen fish fillets in Vietnam during 2018 accounted for by the 28 participating members of VASEP was *** percent. VASEP estimated that all of its members account for approximately *** percent of total production of subject merchandise in Vietnam in 2018.⁴

³ IHS Markit, Global Trade Atlas database, accessed August 10, 2020.

⁴ VASEP reported that total production of subject fish fillets in Vietnam in 2018 was approximately *** tons (*** pounds). Respondent interested parties' response to request for clarification and additional information regarding VASEP's response to the notice of institution, November 19, 2019, pp. 2-3; and respondent interested parties' response to the notice of institution, October 31, 2019, pp. 11-12.

Table IV-2
Frozen fish fillets: Summary data on producers in Vietnam, 2018

Item	28 participating members of VASEP
	Quantity=1,000 pounds; value=1,000 dollars
Capacity	***
Production	***
Exports to the United States: Quantity	***
Value	***

Note: The production, capacity, and shipment data presented are for calendar year 2018.

Note: The data presented are for the 28 participating members of VASEP. The 28 producers/exporters in Vietnam included ***.

Source: Respondent interested parties' response to request for clarification and additional information regarding VASEP's response to the notice of institution, November 19, 2019, pp. 2-4.

Exports

According to GTA, the leading export markets for frozen fish fillets from Vietnam in 2019 were China, followed by the United States, Thailand, and Brazil (table IV-3). Exports to the United States declined 5.2 percent by value, from \$343 million to \$325 million, from 2017-19. During the same period, exports to China increased 385.0 percent from \$93 million to \$449 million.

**Table IV-3:
Frozen fish fillets: Vietnam exports by destination market, 2017-19**

Destination market	Calendar year		
	2017	2018	2019
	Value (1,000 dollars)		
United States	343,176	516,782	325,260
China	92,597	267,603	449,063
Thailand	50,480	72,390	69,571
Brazil	94,660	84,215	64,096
United Kingdom	43,818	41,191	51,944
Mexico	103,477	96,242	49,108
Netherlands	35,257	45,980	42,598
Philippines	---	39,543	41,609
Singapore	31,112	39,373	33,894
All other destination markets	353,313	395,948	352,501
All destination markets	1,147,890	1,599,267	1,479,645
	Share of value (percent)		
United States	29.9	32.3	22.0
China	8.1	16.7	30.3
Thailand	4.4	4.5	4.7
Brazil	8.2	5.3	4.3
United Kingdom	3.8	2.6	3.5
Mexico	9.0	6.0	3.3
Netherlands	3.1	2.9	2.9
Philippines	---	2.5	2.8
Singapore	2.7	2.5	2.3
All other destination markets	30.8	24.8	23.8
All destination markets	100.0	100.0	100.0

Note: United States is shown at the top, all remaining top export destinations shown in descending order of 2019 data.

Source: Official imports statistics of imports from Vietnam (constructed export statistics for Vietnam) under HS subheading 0304.62 reported by various national statistical authorities in the Global Trade Atlas database, accessed August 7, 2020. These data may be overstated as HTS subheading 0304.62 may contain frozen fillets of siluriformes species other than pangasius, which are outside the scope of this review.

Antidumping or countervailing duty orders in third-country markets

Based on available information, certain frozen fish fillets from Vietnam have not been subject to other antidumping or countervailing duty investigations outside the United States.⁵

The global market

Table IV-4 presents global export data for HTS 0304.62, a category that includes frozen fish fillets. These data show that Vietnam is the world's largest exporter of frozen catfish fillets and similar species. After Vietnam, the next largest exporting producer of frozen fillets of catfish and similar species is China.⁶ China's exports are mostly nonsubject merchandise, *siluriformes* species other than pangasius—primarily channel catfish like those farmed in the United States. China also imports increasing amounts of frozen fish fillets from Vietnam as part of an overall increase in seafood demand. In September 2018, the United States began imposing additional duties of 25 percent on imports of catfish from China under Section 301 of the Trade Act of 1974. According to the domestic industry, this created a competitive advantage for exports of the subject product from Vietnam.⁷

⁵ VASEP's response to notice of institution, October 31, 2019, p. 13.

⁶ Although the Netherlands exports more catfish than China, it is a shipping hub for the EU rather than a producer of catfish.

⁷ Domestic interested parties' response to notice of institution, October 31, 2019, p. 18.

Table IV-4
Frozen fish fillets: Global exports by exporter, 2017-19

Exporter	Calendar year		
	2017	2018	2019
	Value (1,000 dollars)		
United States	3,233	1,946	2,115
Vietnam	1,147,890	1,599,267	1,479,645
Netherlands	24,002	27,403	27,835
China	29,906	12,514	11,678
Thailand	388	4,732	8,987
Belgium	5,862	6,760	8,363
Germany	8,681	6,477	7,779
Malaysia	337	1,118	6,238
Slovenia	3,484	2,240	3,508
Poland	2,150	3,288	2,860
India	8	826	1,914
Portugal	796	1,977	1,822
All other exporters	15,022	17,042	11,745
All exporters	1,241,758	1,685,588	1,574,488
	Share of value (percent)		
United States	0.3	0.1	0.1
Vietnam	92.4	94.9	94.0
Netherlands	1.9	1.6	1.8
China	2.4	0.7	0.7
Thailand	0.0	0.3	0.6
Belgium	0.5	0.4	0.5
Germany	0.7	0.4	0.5
Malaysia	0.0	0.1	0.4
Slovenia	0.3	0.1	0.2
Poland	0.2	0.2	0.2
India	0.0	0.0	0.1
Portugal	0.1	0.1	0.1
All other exporters	1.2	1.0	0.7
All exporters	100.0	100.0	100.0

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

Source: Official exports statistics under HS subheading 0304.62 reported by various national statistical authorities in the Global Trade Atlas database and official global imports statistics from Vietnam under HS subheading 0304.62 as reported by various statistical reporting authorities in the Global Trade Atlas database, accessed August 8, 2020. These data may be overstated as HTS subheading 0304.62 may contain frozen fillets of siluriformes species other than pangasius, which are outside the scope of this review.

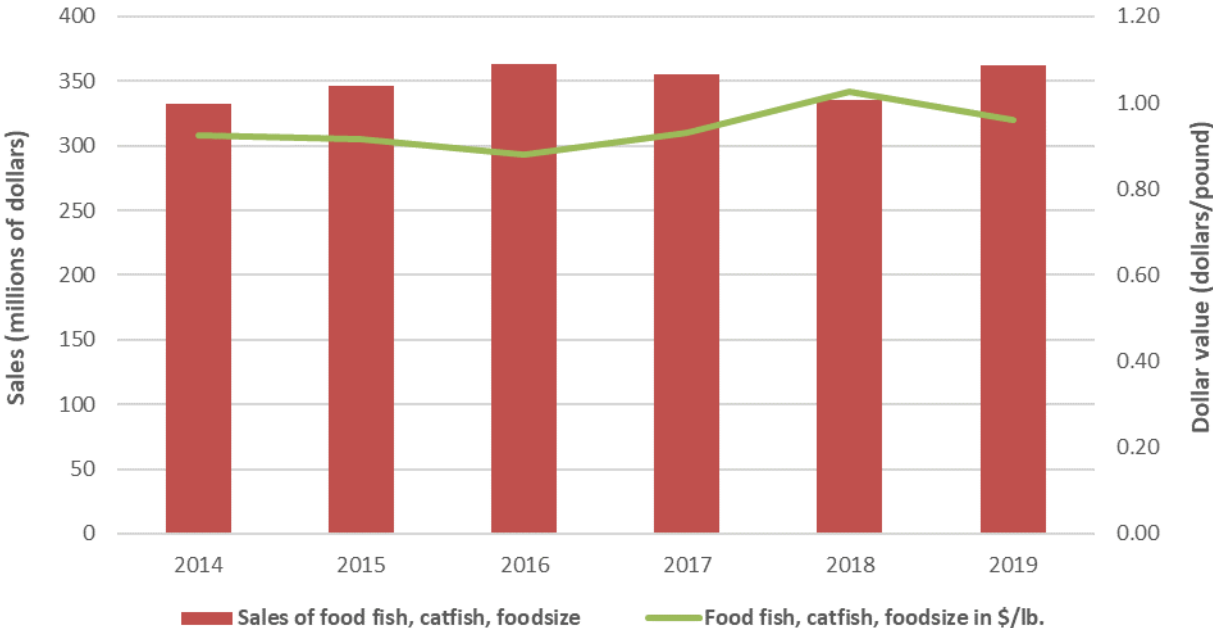
Part V: Pricing data

Factors affecting prices

Raw material costs

Live catfish is the main raw material for frozen fish fillets and represented 73.4 to 76.9 percent of costs of goods sold (“COGS”) from 2017 to 2019. The remaining costs for 2017 to 2019 were direct labor costs, which accounted for an average of 13.3 percent of COGS, and other factory costs, which accounted for an average of 13.8 percent. The share of raw material costs decreased, while direct labor and other factory costs increased during the period of review. As shown in figure V-1, the value of catfish sold from 2017 to 2019 remained relatively constant. The variation that does appear in sales of catfish appears to be inversely related to its unit value. Three U.S. producers indicated an increase in the cost of raw material, and six noted fluctuations in those costs. Importers reported similar responses, with one noting an increase, two noting fluctuations, and one noting no change. Six of nine producers and two of four importers anticipate raw material costs to continue to fluctuate.

Figure V-1
Catfish sales: Annual value and unit value sales of catfish, 2014-19



Source: USDA, National Agricultural Statistics Service data compiled from Quick Stats, https://www.nass.usda.gov/Quick_Stats/, accessed August 8, 2020.

Transportation costs to the U.S. market

Transportation costs for frozen fish fillets shipped from Vietnam to the United States averaged 4.6 percent during 2019. These estimates were derived from official import data and represent the transportation and other charges on imports.¹

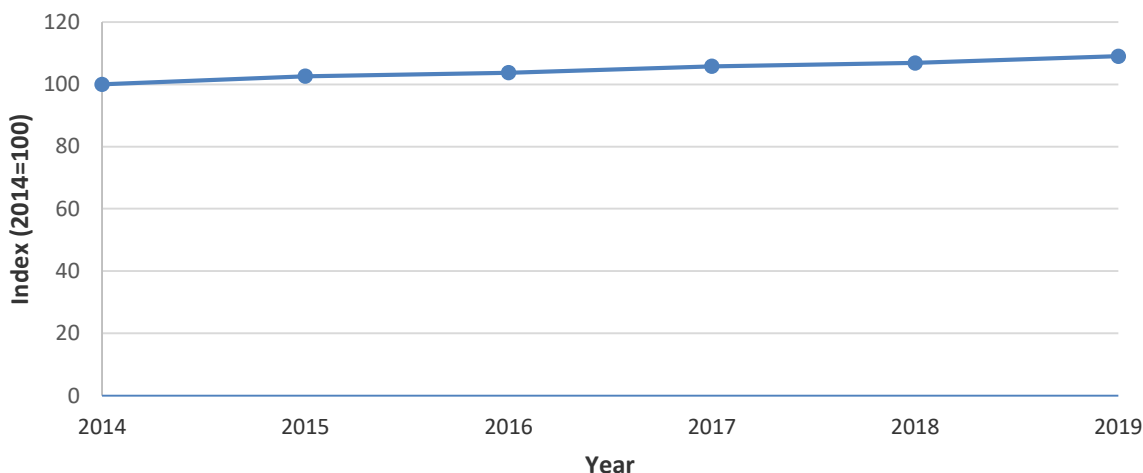
U.S. inland transportation costs

Eight of nine responding U.S. producers and all responding importers reported that they typically arrange transportation to their customers. Most U.S. producers and importers reported that their U.S. inland transportation costs ranged from 1 to 7 percent.

Exchange rates

Figure V-3 shows annual average exchange rate indices of the Vietnamese dong relative to the U.S. dollar during 2014 to 2019. The average annual average exchange rate for the Vietnamese dong against the U.S. dollar increased steadily during 2014-19, with a 3.0 percent depreciation during 2017 to 2019, (figure V-2).

Figure V-2
Nominal exchange rate: Index of the Vietnamese dong relative to the U.S. dollar, annual, 2014-19



Source: The World Bank World Development Indicators, <https://databank.worldbank.org/source/world-development-indicators>, accessed August 10, 2020.

¹ The estimated transportation costs were obtained by subtracting the customs value from the c.i.f. value of the imports for 2019 and then dividing by the customs value based on the HTS subheading 0304.62.0010, 0304.62.0020, 0304.62.0030, and 0304.62.0090.

Pricing practices

Pricing methods

Most U.S. producers and *** importers reported setting prices using transaction-by-transaction negotiations exclusively, while most U.S. producers used transaction-by-transaction negotiations and set price lists to determine prices (table V-1).

Table V-1
Frozen fish fillets: U.S. producers' and importers' reported price setting methods, by number of responding firms

Method	U.S. producers	U.S. importers
Transaction-by-transaction	8	***
Contract	4	***
Set price list	7	***
Other	3	***
Responding firms	9	4

Note: The sum of responses down may not add up to the total number of responding firms as each firm was instructed to check all applicable price setting methods employed.

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

U.S. producers reported selling a majority of their frozen fish fillets in the spot market, and most of the rest of sales were via short-term contracts. U.S. importers reported *** sales being made via short-term contracts (table V-2). The majority of U.S. producers' prices are typically renegotiable in the contracts and are indexed to raw material costs. Producer's contracts, however, were somewhat variable with respect to items that are fixed within the contract. For short-term contracts, two producers typically fix price, one fixes quantity, and one fixes both.

Table V-2
Frozen fish fillets: U.S. producers' and importers' shares of U.S. commercial shipments by type of sale, 2019

Type of sale	Share of commercial U.S. shipments (percent)	
	U.S. producers	Subject U.S. importers
Long-term contracts	***	***
Annual contracts	***	***
Short-term contracts	***	***
Spot sales	***	***
Total	100.0	100.0

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

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

Four of six purchasers reported that they purchase product weekly, one purchases monthly, and one purchases quarterly. All responding purchasers reported that they did not expect their purchasing patterns to change in the next two years. Most purchasers contact one to six suppliers before making a purchase and discuss price, availability, and shipping timeframe.

Sales terms and discounts

Approximately half of responding U.S. producers and importers quote prices on an f.o.b. basis and half of firms quote prices on a delivered basis.² Six of nine U.S. producers do not offer a discount, while two producers offer a quantity discount. Three of nine U.S. producers offer seasonal discounts relating to holidays like Lent or promotions/ad campaigns. Two of three U.S. importers do not offer a discount, while one U.S. importer offers a quantity discount.

Price leadership

Purchaser *** identified Vinh Hoan Corp. of Vietnam as a price leader due to it being the largest exporter by volume. No other purchasers indicated a price leader.

Price data

The Commission requested U.S. producers and importers to provide quarterly data for the total quantity and f.o.b. value of the following frozen fish fillets products shipped to unrelated U.S. customers during January 2017 through March 2020.

Product 1.-- 2 to 3 ounce frozen fillets, not breaded or marinated, in 15 lb. to 22 lb. boxes.

Product 2.-- Over 3 ounce to 5 ounce frozen fillets, not breaded or marinated, in 15 lb. to 22 lb. boxes.

Product 3.-- Over 5 ounce to 7 ounce frozen fillets, not breaded or marinated, in 15 lb. to 22 lb. boxes.

Product 4.-- Over 7 ounce to 9 ounce frozen fillets, not breaded or marinated, in 15 lb. to 22 lb. boxes.

² One importer reported typically selling on both a delivered and f.o.b. basis.

Nine U.S. producers and two importers provided usable pricing data for sales of the requested products, although not all firms reported pricing for all products for all quarters.³ Pricing data reported by these firms accounted for over 75 percent of U.S. producers' shipments of frozen fish fillets and *** of U.S. commercial shipments of subject imports from Vietnam in 2019.⁴

Price data for products 1-4 are presented in tables V-3 to V-6 and figures V-1 to V-4.

Table V-3
Frozen fish fillets: Weighted-average f.o.b. prices and quantities of domestic and imported product 1 and margins of underselling/(overselling), by quarter, January 2017-March 2020

Period of shipment	United States		Vietnam		
	Price (dollars per pound)	Quantity (pounds)	Price (dollars per pound)	Quantity (pounds)	Margin (percent)
2017:					
January-March	***	***	***	***	***
April-June	***	***	***	***	***
July-September	***	***	***	***	***
October-December	***	***	***	***	***
2018:					
January-March	***	***	***	***	***
April-June	***	***	***	***	***
July-September	4.38	1,064,046	***	***	***
October-December	***	***	***	***	***
2019:					
January-March	4.25	963,902	***	***	***
April-June	4.30	824,434	***	***	***
July-September	4.31	658,483	***	***	***
October-December	4.48	425,191	***	***	***
2020:					
January-March	4.30	524,619	***	***	***

Note: Product 1: 2 to 3 ounce frozen fillets, not breaded or marinated, in 15 lb. to 22 lb. boxes.'

Note: ***.

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

³ Per-unit pricing data are calculated from total quantity and total value data provided by U.S. producers and importers. The precision and variation of these figures may be affected by rounding, limited quantities, and producer or importer estimates.

⁴ These data represent *** percent of subject imports in 2019.

Table V-4

Frozen fish fillets: Weighted-average f.o.b. prices and quantities of domestic and imported product 2 and margins of underselling/(overselling), by quarter, January 2017-March 2020

Period of shipment	United States		Vietnam		
	Price (dollars per pound)	Quantity (pounds)	Price (dollars per pound)	Quantity (pounds)	Margin (percent)
2017:					
January-March	4.51	3,870,974	***	***	***
April-June	4.50	3,923,926	***	***	***
July-September	4.43	4,351,140	***	***	***
October-December	4.31	3,322,212	***	***	***
2018:					
January-March	4.14	4,547,221	***	***	***
April-June	4.21	4,041,097	***	***	***
July-September	4.14	4,179,545	***	***	***
October-December	4.23	4,061,206	***	***	***
2019:					
January-March	4.28	4,933,854	***	***	***
April-June	4.27	4,148,327	***	***	***
July-September	4.41	3,895,283	***	***	***
October-December	4.52	3,332,120	***	***	***
2020:					
January-March	4.46	3,816,552	***	***	***

Note: Product 2: Over 3 ounce to 5 ounce frozen fillets, not breaded or marinated, in 15 lb. to 22 lb. boxes.

Note: ***.

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

Table V-5

Frozen fish fillets: Weighted-average f.o.b. prices and quantities of domestic and imported product 3 and margins of underselling/(overselling), by quarter, January 2017-March 2020

Period of shipment	United States		Vietnam		
	Price (dollars per pound)	Quantity (pounds)	Price (dollars per pound)	Quantity (pounds)	Margin (percent)
2017:					
January-March	4.59	2,855,861	***	***	***
April-June	4.59	2,467,979	***	***	***
July-September	4.47	2,726,472	***	***	***
October-December	4.41	2,259,979	***	***	***
2018:					
January-March	4.26	3,065,810	***	***	***
April-June	4.28	2,811,990	***	***	***
July-September	4.20	2,862,583	***	***	***
October-December	4.20	2,571,534	***	***	***
2019:					
January-March	4.18	3,131,437	***	***	***
April-June	4.36	2,999,282	***	***	***
July-September	4.48	2,942,567	***	***	***
October-December	4.57	2,511,433	***	***	***
2020:					
January-March	4.43	3,260,232	***	***	***

Note: Product 3: Over 5 ounce to 7 ounce frozen fillets, not breaded or marinated, in 15 lb. to 22 lb. boxes.

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

Table V-6

Frozen fish fillets: Weighted-average f.o.b. prices and quantities of domestic and imported product 4 and margins of underselling/(overselling), by quarter, January 2017-March 2020

Period of shipment	United States		Vietnam		
	Price (dollars per pound)	Quantity (pounds)	Price (dollars per pound)	Quantity (pounds)	Margin (percent)
2017:					
January-March	4.46	822,225	***	***	***
April-June	4.40	720,082	***	***	***
July-September	4.24	705,385	***	***	***
October-December	4.15	602,676	***	***	***
2018:					
January-March	3.87	1,176,014	***	***	***
April-June	3.94	1,045,071	***	***	***
July-September	3.96	906,074	***	***	***
October-December	3.89	806,055	***	***	***
2019:					
January-March	4.10	936,488	***	***	***
April-June	4.37	893,773	***	***	***
July-September	4.48	941,120	***	***	***
October-December	4.53	750,297	***	***	***
2020:					
January-March	4.43	996,846	***	***	***

Note: Product 4: Over 7 ounce to 9 ounce frozen fillets, not breaded or marinated, in 15 lb. to 22 lb. boxes.

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

Figure V-3
Frozen fish fillets: Weighted-average prices and quantities of domestic and imported product 1, by quarter, January 2017-March 2020

* * * * *

Product 1: 2 to 3 ounce frozen fillets, not breaded or marinated, in 15 lb. to 22 lb. boxes.

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

Figure V-4
Frozen fish fillets: Weighted-average prices and quantities of domestic and imported product 2, by quarter, January 2017-March 2020

* * * * *

Product 2: Over 3 ounce to 5 ounce frozen fillets, not breaded or marinated, in 15 lb. to 22 lb. boxes.

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

Figure V-5
Frozen fish fillets: Weighted-average prices and quantities of domestic and imported product 3, by quarter, January 2017-March 2020

* * * * *

Product 3: Over 5 ounce to 7 ounce frozen fillets, not breaded or marinated, in 15 lb. to 22 lb. boxes.

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

Figure V-6
Frozen fish fillets: Weighted-average prices and quantities of domestic and imported product 4, by quarter, January 2017-March 2020

* * * * *

Product 4: Over 7 ounce to 9 ounce frozen fillets, not breaded or marinated, in 15 lb. to 22 lb. boxes.

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

Price trends

In general, prices decreased during January 2017 to March 2020. Table V-7 summarizes the price trends, by country and by product. As shown in the table V-7, domestic price declines ranged from *** to *** percent during January 2017 to March 2020. Prices decreased generally through 2018, then increased through 2019 before decreasing during the first quarter of 2020. Prices for two pricing products imported from Vietnam increased and two decreased. Prices increased for the smaller products and decreased for the larger products. Prices for products imported from Vietnam were above the first quarter 2017 prices for all products in all quarters except for the final two quarters of the POR for products 3 and 4 (figure V-7). They increased through the last quarter of 2018 before generally decreasing through the remaining quarters. In contrast, domestic prices were mostly below the first quarter 2017 prices.

Table V-7
Frozen fish fillets: Summary of weighted-average f.o.b. prices for products 1-4 from the United States and Vietnam

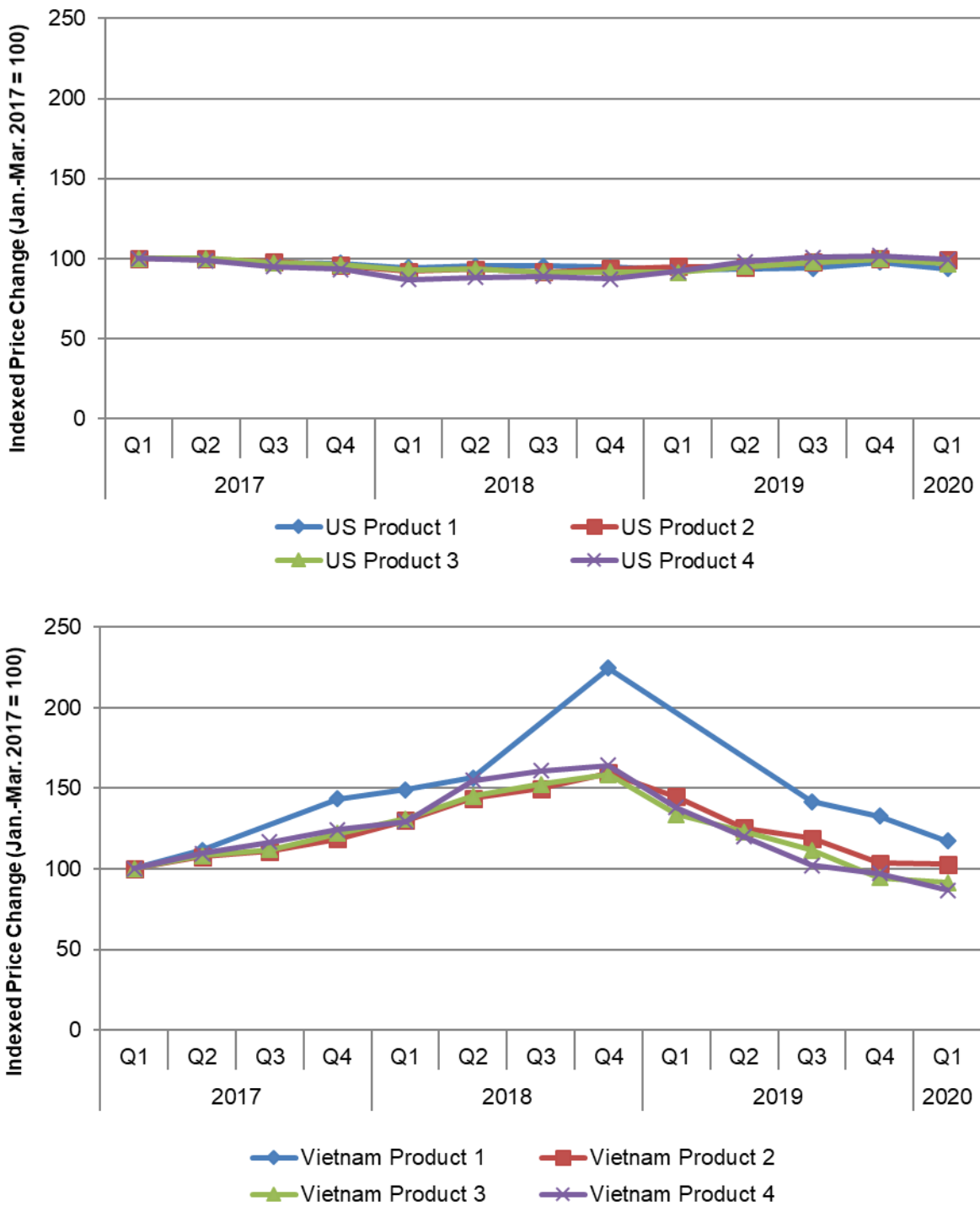
Item	Number of quarters	Low price (dollars per pound)	High price (dollars per pound)	Change in price ¹ (percent)
Product 1.-- United States	***	***	***	***
Vietnam	***	***	***	***
Product 2.-- United States	13	4.14	4.52	(1.1)
Vietnam	***	***	***	***
Product 3.-- United States	13	4.18	4.59	(3.4)
Vietnam	***	***	***	***
Product 4.-- United States	13	3.87	4.53	(0.6)
Vietnam	***	***	***	***

Note: Percentage change from the first quarter in which data were available to the last quarter in which price data were available.

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

Purchasers were asked how the prices of frozen fish fillets from the United States had changed relative to the prices of frozen fish fillets from Vietnam since 2017. Three of five responding purchasers indicated U.S. prices are inferior (i.e., higher) to Vietnamese frozen fish fillets.

Figure V-7
Frozen fish fillets: Indexed price levels, quarterly, January 2017-March 2020



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

Price comparisons

As shown in table V-8, prices for frozen fish fillets imported from Vietnam were below those for U.S.-produced product in all 48 of the quarters for which comparisons were available. These quarters covered *** pounds, and average margins of underselling ranged from *** to *** percent. Across all quarters, the quarter with the smallest margin of underselling was *** percent occurred in 2018, during a time which importer ***.⁵

Table V-8
Frozen fish fillets: Instances of underselling/overselling and the range and average of margins, by country, January 2017-March 2020

Source	Underselling				
	Number of quarters	Quantity (pounds)	Average margin (percent)	Margin range (percent)	
				Min	Max
Product 1	9	***	***	***	***
Product 2	13	***	***	***	***
Product 3	13	***	***	***	***
Product 4	13	***	***	***	***
Total, underselling	48	***	***	***	***

Note: In the original investigations, subject imports from Vietnam were priced lower than domestic product in all comparisons, with underselling margins ranging from 9.2 to 38.6 percent; *Certain Frozen Fish Fillets from Vietnam, Inv. No.731-TA-1012 (Final)*, USITC Publication 3617, August 2003, pp. V-4 to V-12. In the first review, subject imports from Vietnam were priced lower than domestic product in all comparisons, with underselling margins ranging from 17.5 to 50.7 percent; *Certain frozen fish fillets from Vietnam, Inv. No.731-TA-1012 (Review)*, USITC Publication 4083, June 2009, pp. V-16 to V-19. The Commission conducted an expedited second review, therefore no price comparisons were reported

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

⁵ Email from ***, September 11, 2020.

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
84 FR 52067, October 1, 2019	<i>Initiation of Five-Year (Sunset) Reviews</i>	https://www.govinfo.gov/content/pkg/FR-2019-10-01/pdf/2019-21292.pdf
84 FR 52122, October 1, 2019	<i>Certain Frozen Fish Fillets From Vietnam; Institution of a Five-Year Review</i>	https://www.govinfo.gov/content/pkg/FR-2019-10-01/pdf/2019-20882.pdf
85 FR 3417, January 21, 2020	<i>Certain Frozen Fish Fillets From Vietnam; Notice of Commission Determination To Conduct a Full Five-Year Review</i>	https://www.govinfo.gov/content/pkg/FR-2020-01-21/pdf/2020-00790.pdf
85 FR 6500, February 5, 2020	<i>Certain Frozen Fish Fillets From the Socialist Republic of Vietnam: Final Results of the Expedited Third Sunset Review of the Antidumping Duty Order</i>	https://www.govinfo.gov/content/pkg/FR-2020-02-05/pdf/2020-02258.pdf
85 FR 28981, May 14, 2020	<i>Frozen Fish Fillets From Vietnam; Scheduling of a Full Five-Year Review</i>	https://www.govinfo.gov/content/pkg/FR-2020-05-14/pdf/2020-10358.pdf
85 FR 57882, September 8, 2020	<i>Certain Frozen Fish Fillets From Vietnam; Cancellation of Hearing for Third Full Five-Year Review</i>	https://www.govinfo.gov/content/pkg/FR-2020-09-16/pdf/2020-20411.pdf

Note.—The press release announcing the Commission’s determinations concerning adequacy and the conduct of a full or expedited review can be found at <https://www.usitc.gov/investigations/701731/2019/frozen-fish-fillets-vietnam/third-review-full.htm>. A summary of the Commission’s votes concerning adequacy and the conduct of a full or expedited review can be found at <https://www.usitc.gov/certain-frozen-fish-fillets-vietnam.htm>. The Commission’s explanation of its determinations can be found at <https://www.usitc.gov/investigations/701731/2019/frozen-fish-fillets-vietnam/third-review-full.htm>.

APPENDIX B
HEARING CANCELLATION REQUEST

September 2, 2020

VIA ELECTRONIC FILING:

Lisa R. Barton
Secretary
U.S. International Trade Commission
Room 112A
500 E Street, SW
Washington, DC 20436

Inv. Nos. 731-TA-1012 (Third Review)

PUBLIC DOCUMENT

Re: Certain Frozen Fish Fillets from Vietnam: Request to Cancel Hearing

Dear Secretary Barton:

On behalf of the Catfish Farmers of America, a trade association comprised of domestic catfish growers and processors as defined under 19 U.S.C. § 1677(9)(G), and individual U.S. catfish processors America's Catch; Alabama Catfish, LLC d/b/a Harvest Select Catfish, Inc.; Consolidated Catfish Companies, LLC d/b/a Country Select Catfish; Guidry's Catfish, Inc.; Heartland Catfish Company; Magnolia Processing, Inc. d/b/a Pride of the Pond; and Simmons Farm Raised Catfish, Inc., domestic producers of catfish as defined in 19 U.S.C. § 1677(9)(C), (collectively "Petitioners"), we hereby request that the Commission take action pursuant to 19 C.F.R. § 201.12. Specifically, to the extent that no respondent interested parties are participating in this full review, we request that the Commission cancel the hearing that it is currently scheduled to hold on September 15, 2020. Those foreign producers/exporters that are members of the Vietnam Association of Seafood Exporters and Producers ("VASEP") that initially expressed a willingness to participate in a full review have not done so. Their counsel and replacement counsel have withdrawn, and no foreign producer/exporter of subject merchandise from Vietnam has submitted a questionnaire.

Lisa R. Barton
September 2, 2020
Page 2

Accordingly, to preserve the resources of the Commission and Petitioners, we request that the Commission cancel the scheduled hearing. Petitioners are willing to respond to written questions from the Commission in their posthearing brief, if that would be helpful. Please do not hesitate to contact the undersigned should you have any additional questions.

Respectfully submitted,



Deirdre Maloney, *Sr Int'l Trade Advisor*

James R. Cannon, Jr.
Robert C. Cassidy
Mary Jane Alves
Ulrika K. Swanson

CASSIDY LEVY KENT (USA) LLP

Counsel to Catfish Farmers of America, America's Catch, Harvest Select Catfish, Inc., Country Select Catfish, Guidry's Catfish, Inc., Heartland Catfish Company, Pride of the Pond, and Simmons Farm Raised Catfish, Inc.

CASSIDY LEVY KENT

APPENDIX C
SUMMARY DATA

Table C-1

Frozen fish fillets: Summary data concerning the U.S. market, 2017-19, January to March 2019, and January to March 2020

(Quantity=1,000 pounds; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per pound; Period changes=percent--exceptions noted)

	Reported data					Period changes			
	Calendar year			January to March		Comparison years			Jan-Mar
	2017	2018	2019	2019	2020	2017-19	2017-18	2018-19	2019-20
U.S. consumption quantity:									
Amount.....	300,111	329,239	257,410	78,886	68,361	▼(14.2)	▲9.7	▼(21.8)	▼(13.3)
Producers' share (fn1).....	19.2	19.3	23.9	21.9	23.3	▲4.6	▲0.0	▲4.6	▲1.4
Importers' share (fn1):									
Vietnam.....	76.7	76.9	71.7	74.2	71.7	▼(5.0)	▲0.2	▼(5.2)	▼(2.5)
Nonsubject sources.....	4.1	3.8	4.4	3.9	4.9	▲0.3	▼(0.3)	▲0.6	▲1.0
All import sources.....	80.8	80.7	76.1	78.1	76.7	▼(4.6)	▼(0.0)	▼(4.6)	▼(1.4)
U.S. consumption value:									
Amount.....	650,022	822,844	629,689	212,362	146,227	▼(3.1)	▲26.6	▼(23.5)	▼(31.1)
Producers' share (fn1).....	39.2	31.3	41.4	34.6	47.1	▲2.2	▼(7.9)	▲10.1	▲12.5
Importers' share (fn1):									
Vietnam.....	55.1	64.6	53.7	61.6	47.5	▼(1.4)	▲9.5	▼(10.9)	▼(14.2)
Nonsubject sources.....	5.7	4.1	4.9	3.8	5.4	▼(0.8)	▼(1.6)	▲0.8	▲1.7
All import sources.....	60.8	68.7	58.6	65.4	52.9	▼(2.2)	▲7.9	▼(10.1)	▼(12.5)
U.S. imports from:									
Vietnam:									
Quantity.....	230,223	253,319	184,616	58,545	49,048	▼(19.8)	▲10.0	▼(27.1)	▼(16.2)
Value.....	358,182	531,576	338,284	130,899	69,396	▼(5.6)	▲48.4	▼(36.4)	▼(47.0)
Unit value.....	\$1.56	\$2.10	\$1.83	\$2.24	\$1.41	▲17.8	▲34.9	▼(12.7)	▼(36.7)
Ending inventory quantity.....	***	***	***	***	***	▼***	▼***	***	***
Nonsubject sources:									
Quantity.....	12,172	12,530	11,322	3,067	3,368	▼(7.0)	▲2.9	▼(9.6)	▲9.8
Value.....	37,338	33,914	30,977	8,020	7,955	▼(17.0)	▼(9.2)	▼(8.7)	▼(0.8)
Unit value.....	\$3.07	\$2.71	\$2.74	\$2.61	\$2.36	▼(10.8)	▼(11.8)	▲1.1	▼(9.7)
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
All import sources:									
Quantity.....	242,394	265,849	195,937	61,612	52,416	▼(19.2)	▲9.7	▼(26.3)	▼(14.9)
Value.....	395,520	565,490	369,262	138,919	77,352	▼(6.6)	▲43.0	▼(34.7)	▼(44.3)
Unit value.....	\$1.63	\$2.13	\$1.88	\$2.25	\$1.48	▲15.5	▲30.4	▼(11.4)	▼(34.5)
Ending inventory quantity.....	***	***	***	***	***	▼***	▼***	***	***
U.S. producers':									
Average capacity quantity.....	113,607	115,994	113,566	29,148	26,013	▼(0.0)	▲2.1	▼(2.1)	▼(10.8)
Production quantity.....	58,755	63,357	63,353	16,091	15,817	▲7.8	▲7.8	▼(0.0)	▼(1.7)
Capacity utilization (fn1).....	51.7	54.6	55.8	55.2	60.8	▲4.1	▲2.9	▲1.2	▲5.6
U.S. shipments:									
Quantity.....	57,717	63,390	61,472	17,274	15,945	▲6.5	▲9.8	▼(3.0)	▼(7.7)
Value.....	254,502	257,354	260,427	73,443	68,875	▲2.3	▲1.1	▲1.2	▼(6.2)
Unit value.....	\$4.41	\$4.06	\$4.24	\$4.25	\$4.32	▼(3.9)	▼(7.9)	▲4.4	▲1.6
Export shipments:									
Quantity.....	---	---	---	---	---	---	---	---	---
Value.....	---	---	---	---	---	---	---	---	---
Unit value.....	---	---	---	---	---	---	---	---	---
Ending inventory quantity.....	5,586	5,184	6,922	4,070	6,836	▲23.9	▼(7.2)	▲33.5	▲68.0
Inventories/total shipments (fn1).....	9.7	8.2	11.3	5.9	10.7	▲1.6	▼(1.5)	▲3.1	▲4.8
Production workers.....	2,406	2,384	2,422	2,357	2,204	▲0.7	▼(0.9)	▲1.6	▼(6.5)
Hours worked (1,000s).....	4,361	4,503	4,394	1,118	980	▲0.8	▲3.2	▼(2.4)	▼(12.3)
Wages paid (\$1,000).....	50,958	54,395	45,521	12,984	11,459	▼(10.7)	▲6.7	▼(16.3)	▼(11.7)
Hourly wages.....	\$11.68	\$12.08	\$10.36	\$11.62	\$11.69	▼(11.3)	▲3.4	▼(14.2)	▲0.7
Productivity (pounds per hour).....	13.5	14.1	14.4	14.4	16.1	▲7.0	▲4.4	▲2.5	▲12.1
Unit labor costs.....	\$0.87	\$0.86	\$0.72	\$0.81	\$0.72	▼(17.2)	▼(1.0)	▼(16.3)	▼(10.2)

Table C-1--Continued

Frozen fish fillets: Summary data concerning the U.S. market, 2017-19, January to March 2019, and January to March 2020

(Quantity=1,000 pounds; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per pound; Period changes=percent--exceptions noted)

	Reported data					Period changes			
	Calendar year			January to March		Comparison years			Jan-Mar
	2017	2018	2019	2019	2020	2017-19	2017-18	2018-19	2019-20
U.S. producers'--Continued									
Net sales:									
Quantity.....	54,554	60,467	59,468	16,318	16,139	▲9.0	▲10.8	▼(1.7)	▼(1.1)
Value.....	239,776	244,131	252,250	69,493	69,700	▲5.2	▲1.8	▲3.3	▲0.3
Unit value.....	\$4.40	\$4.04	\$4.24	\$4.26	\$4.32	▼(3.5)	▼(8.1)	▲5.1	▲1.4
Cost of goods sold (COGS).....	198,147	200,284	212,120	56,043	60,548	▲7.1	▲1.1	▲5.9	▲8.0
Gross profit of (loss) (fn2).....	41,629	43,847	40,130	13,450	9,152	▼(3.6)	▲5.3	▼(8.5)	▼(32.0)
SG&A expenses.....	21,131	24,193	24,135	6,256	6,057	▲14.2	▲14.5	▼(0.2)	▼(3.2)
Operating income or (loss) (fn2).....	20,498	19,654	15,995	7,195	3,095	▼(22.0)	▼(4.1)	▼(18.6)	▼(57.0)
Net income or (loss) (fn2).....	28,494	23,503	26,041	12,268	2,174	▼(8.6)	▼(17.5)	▲10.8	▼(82.3)
Capital expenditures.....	5,286	3,506	7,730	681	1,390	▲46.2	▼(33.7)	▲120.5	▲104.3
Research and development expenses....	***	***	***	***	***	***	***	***	***
Net assets.....	98,499	115,026	107,381	NA	NA	▲9.0	▲16.8	▼(6.6)	NA
Unit COGS.....	\$3.63	\$3.31	\$3.57	\$3.43	\$3.75	▼(1.8)	▼(8.8)	▲7.7	▲9.2
Unit SG&A expenses.....	\$0.39	\$0.40	\$0.41	\$0.38	\$0.38	▲4.8	▲3.3	▲1.4	▼(2.1)
Unit operating income or (loss) (fn2).....	\$0.38	\$0.33	\$0.27	\$0.44	\$0.19	▼(28.4)	▼(13.5)	▼(17.2)	▼(56.5)
Unit net income or (loss) (fn2).....	\$0.52	\$0.39	\$0.44	\$0.75	\$0.13	▼(16.2)	▼(25.6)	▲12.7	▼(82.1)
COGS/sales (fn1).....	82.6	82.0	84.1	80.6	86.9	▲1.5	▼(0.6)	▲2.1	▲6.2
Operating income or (loss)/sales (fn1)....	8.5	8.1	6.3	10.4	4.4	▼(2.2)	▼(0.5)	▼(1.7)	▼(5.9)
Net income or (loss)/sales (fn1).....	11.9	9.6	10.3	17.7	3.1	▼(1.6)	▼(2.3)	▲0.7	▼(14.5)

Note.--Shares and ratios shown as "0.0" percent represent non-zero values less than "0.05" percent (if positive) and greater than "(0.05)" percent (if negative). Zeroes, null values, and undefined calculations are suppressed and shown as "----". Shares preceded by a "▲" represent an increase, while shares preceded by a "▼" represent a decrease.

fn1.--Reported data are in percent and period changes are in percentage points.

fn2.--Percent changes only calculated when both comparison values represent profits; The directional change in profitability provided when one or both comparison values represent a loss.

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics using HTS statistical reporting numbers 0304.62.0010, 0304.62.0020, 0304.62.0030, and 0304.62.0090 accessed August 7, 2020.

APPENDIX C

SUMMARY DATA COMPILED IN PRIOR PROCEEDINGS

Table C-1
Certain frozen fish fillets: Summary data concerning the U.S. market, 2003-08

(Quantity=1,000 pounds, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per pound; period changes=percent, except where noted)												
Item	Reported data						Period changes					
	2003	2004	2005	2006	2007	2008	2003-08	2003-04	2004-05	2005-06	2006-07	2007-08
U.S. consumption quantity:												
Amount	161,482	170,548	182,439	220,693	202,628	212,137	31.4	5.6	7.0	21.0	-8.2	4.7
Producers' share (1)	87.1	80.2	77.2	61.8	57.3	54.1	-33.0	-6.9	-2.9	-15.5	-4.5	-3.2
Importers' share (1):												
Vietnam	12.2	18.4	17.8	24.3	23.1	25.1	12.9	6.2	-0.5	6.4	-1.2	2.1
All other sources	0.7	1.5	4.9	14.0	19.7	20.8	20.1	0.7	3.4	9.1	5.7	1.1
Total imports	12.9	19.8	22.8	38.2	42.7	45.9	33.0	6.9	2.9	15.5	4.5	3.2
U.S. consumption value:												
Amount	364,413	405,920	424,880	519,595	474,482	487,039	33.7	11.4	4.7	22.3	-8.7	2.6
Producers' share (1)	92.9	88.3	88.5	75.6	70.6	67.9	-25.0	-4.5	0.1	-12.9	-5.0	-2.7
Importers' share (1):												
Vietnam	6.6	10.6	8.3	14.0	14.2	16.1	9.5	4.0	-2.3	5.7	0.2	1.9
All other sources	0.5	1.0	3.2	10.4	15.2	16.0	15.5	0.5	2.2	7.2	4.8	0.8
Total imports	7.1	11.7	11.5	24.4	29.4	32.1	25.0	4.5	-0.1	12.9	5.0	2.7
U.S. imports from:												
Vietnam (2):												
Quantity	19,689	31,349	32,548	53,531	46,728	53,305	170.7	59.2	3.8	64.5	-12.7	14.1
Value	24,228	43,150	35,258	72,872	67,606	78,559	224.2	78.1	-18.3	106.7	-7.2	16.2
Unit value	\$1.23	\$1.38	\$1.08	\$1.36	\$1.45	\$1.47	19.8	11.9	-21.3	25.7	6.3	1.9
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***
All other sources (3):												
Quantity	1,176	2,499	8,962	30,870	39,863	44,129	3,651.6	112.5	258.6	244.5	29.1	10.7
Value	1,775	4,169	13,686	54,159	72,121	77,823	4,285.1	134.9	228.2	295.7	33.2	7.9
Unit value	\$1.51	\$1.67	\$1.53	\$1.75	\$1.81	\$1.76	16.9	10.6	-8.5	14.9	3.1	-2.5
Ending inventory quantity (2)	***	***	***	***	***	***	***	***	***	***	***	***
All sources:												
Quantity	20,865	33,848	41,510	84,401	86,591	97,434	367.0	62.2	22.6	103.3	2.6	12.5
Value	26,003	47,319	48,944	127,031	139,727	156,382	501.4	82.0	3.4	159.5	10.0	11.9
Unit value	\$1.25	\$1.40	\$1.18	\$1.51	\$1.61	\$1.61	28.8	12.2	-15.7	27.6	7.2	-0.5
Ending inventory quantity	39	1,457	2,118	7,466	4,798	5,377	13,687.8	3635.9	45.4	252.5	-35.7	12.1
U.S. producers' (2):												
Average capacity quantity	146,079	146,482	150,802	150,001	149,127	137,129	-6.1	0.3	2.9	-0.5	-0.6	-8.0
Production quantity	106,591	111,483	114,138	111,763	94,408	97,068	-8.9	4.6	2.4	-2.1	-15.5	2.8
Capacity utilization (1)	73.0	76.1	75.7	74.5	63.3	70.8	-2.2	3.1	-0.4	-1.2	-11.2	7.5
U.S. shipments:												
Quantity	106,315	107,744	115,750	109,265	96,366	94,572	-11.0	1.3	7.4	-5.6	-11.8	-1.9
Value	255,666	283,331	308,986	318,030	281,420	277,076	8.4	10.8	9.1	2.9	-11.5	-1.5
Unit value	\$2.40	\$2.63	\$2.67	\$2.91	\$2.92	\$2.93	21.8	9.4	1.5	9.0	0.3	0.3
Export shipments:												
Quantity	9	0	0	0	0	0	-100.0	-100.0	(4)	(4)	(4)	(4)
Value	23	0	0	0	0	0	-100.0	-100.0	(4)	(4)	(4)	(4)
Unit value	\$2.56	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Ending inventory quantity	7,502	10,864	9,376	11,592	9,472	11,837	57.8	44.8	-13.7	23.6	-18.3	25.0
Inventories/total shipments (1)	7.1	10.1	8.1	10.6	9.8	12.5	5.5	3.0	-2.0	2.5	-0.8	2.7
Production workers	2,612	2,608	2,753	2,681	2,480	2,589	-0.9	-0.2	5.6	-2.6	-7.5	4.4
Hours worked (1,000s)	5,338	5,128	5,308	5,427	4,925	4,684	-12.3	-3.9	3.5	2.2	-9.3	-4.9
Wages paid (\$1,000s)	37,566	37,508	40,095	41,343	39,086	38,994	3.8	-0.2	6.9	3.1	-5.5	-0.2
Hourly wages	\$7.04	\$7.31	\$7.55	\$7.62	\$7.94	\$8.32	18.3	3.9	3.3	0.9	4.2	4.9
Productivity (pounds per hour)	20.0	21.7	21.5	20.6	19.2	20.7	3.8	8.9	-1.1	-4.2	-6.9	8.1
Unit labor costs	\$0.35	\$0.34	\$0.35	\$0.37	\$0.41	\$0.40	14.0	-4.5	4.4	5.3	11.9	-3.0
Net sales:												
Quantity	107,402	108,368	115,235	110,709	97,706	99,273	-7.6	0.9	6.3	-3.9	-11.7	1.6
Value	258,897	282,459	306,899	317,991	286,029	288,972	11.6	9.1	8.7	3.6	-10.1	1.0
Unit value	\$2.41	\$2.61	\$2.66	\$2.87	\$2.93	\$2.91	20.8	8.1	2.2	7.9	1.9	-0.6
Cost of goods sold (COGS)	216,773	245,778	267,658	279,551	258,519	257,065	18.6	13.4	8.9	4.4	-7.5	-0.6
Gross profit or (loss)	42,124	36,681	39,241	38,440	27,510	31,907	-24.3	-12.9	7.0	-2.0	-28.4	16.0
SG&A expenses	26,048	28,274	29,613	28,926	26,936	28,332	8.8	8.5	4.7	-2.3	-6.9	5.2
Operating income or (loss)	16,076	8,407	9,628	9,514	574	3,575	-77.8	-47.7	14.5	-1.2	-94.0	522.8
Capital expenditures	5,343	4,220	5,684	3,936	2,107	2,225	-58.4	-21.0	34.7	-30.8	-46.5	5.6
Unit COGS	\$2.02	\$2.27	\$2.32	\$2.53	\$2.65	\$2.59	28.3	12.4	2.4	8.7	4.8	-2.1
Unit SG&A expenses	\$0.24	\$0.26	\$0.26	\$0.26	\$0.28	\$0.29	17.7	7.6	-1.5	1.7	5.5	3.5
Unit operating income or (loss)	\$0.15	\$0.08	\$0.08	\$0.09	\$0.01	\$0.04	-75.9	-48.2	7.7	2.9	-93.2	513.0
COGS/sales (1)	83.7	87.0	87.2	87.9	90.4	89.0	5.2	3.3	0.2	0.7	2.5	-1.4
Operating income or (loss)/sales (1)	6.2	3.0	3.1	3.0	0.2	1.2	-5.0	-3.2	0.2	-0.1	-2.8	1.0
U.S. processors' (5):												
U.S. shipments:												
Quantity	140,617	136,700	140,929	136,292	116,037	114,703	-18.4	-2.8	3.1	-3.3	-14.9	-1.1
Value	338,409	358,601	375,936	392,564	334,755	330,657	-2.3	6.0	4.8	4.4	-14.7	-1.2
Unit value	\$2.41	\$2.62	\$2.67	\$2.88	\$2.88	\$2.88	19.8	9.0	1.7	8.0	0.2	-0.1

- (1) "Reported data" are in percent and "period changes" are in percentage points.
(2) Compiled from Commission questionnaire responses (imports from Vietnam reported as exports to the United States by VASEP).
(3) Compiled from official Commerce statistics.
(4) Not applicable.
(5) Compiled from official USDA/NASS statistics; used to calculate apparent U.S. consumption.

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

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

Table C-1

The subject product: Summary data concerning the U.S. market, 2000-2002, January-March 2002, and January-March 2003

Item	Reported data					changes=percent, except where noted)			
						Period changes			
	2000	2001	2002	January-March 2002	January-March 2003	2000-2002	2000-2001	2001-2002	Jan-Mar. 2002-2003
U.S. consumption quantity:									
Amount	148,428	150,575	184,164	46,158	40,793	24.1	6.8	16.1	-11.5
Producers' share (1)	90.7	83.0	80.1	85.6	94.0	-10.6	-7.7	-2.9	8.4
Importers' share (1):									
Vietnam	8.4	16.4	19.6	14.4	5.7	11.1	7.9	3.2	-8.7
Other sources	0.8	0.6	0.3	(2)	0.4	-0.5	-0.2	-0.3	0.4
Total imports	9.3	17.0	19.9	14.4	6.0	10.6	7.7	2.9	-8.4
U.S. consumption value:									
Amount	395,815	380,659	385,988	97,411	91,426	-2.4	-3.8	1.4	-6.1
Producers' share (1)	93.6	88.9	86.0	90.4	96.0	-7.6	-4.8	-2.9	5.6
Importers' share (1):									
Vietnam	5.9	16.8	13.8	9.5	3.7	7.9	4.9	3.0	-5.8
Other sources	0.4	0.3	0.2	(2)	0.3	-0.3	-0.1	-0.2	0.3
Total imports	6.4	11.1	14.0	9.6	4.0	7.6	4.8	2.9	-5.6
U.S. imports from:									
Vietnam:									
Quantity	12,540	25,978	36,046	6,638	2,311	187.4	107.2	38.8	-65.2
Value	73,450	41,045	53,348	9,293	3,397	127.5	75.0	30.0	-63.4
Unit value	\$1.87	\$1.58	\$1.48	\$1.40	\$1.47	-20.9	-15.5	-6.3	5.0
Ending inventory quantity	532	340	939	518	545	76.5	-38.1	176.2	5.6
All other sources:									
Quantity	1,202	981	588	13	152	-51.2	-20.0	-36.0	1050.0
Value	1,778	1,319	688	17	253	-81.3	-25.8	-47.8	1388.2
Unit value	\$1.48	\$1.37	\$1.17	\$1.29	\$1.68	-20.7	-7.3	-14.5	29.4
Ending inventory quantity	0	0	0	0	0	(3)	(3)	(3)	(3)
All sources:									
Quantity	13,742	26,959	36,632	6,651	2,463	166.6	98.0	38.0	-63.0
Value	25,228	42,364	54,036	9,310	3,650	114.2	67.9	27.6	-60.8
Unit value	\$1.84	\$1.57	\$1.48	\$1.40	\$1.48	-19.7	-14.3	-6.2	5.9
Ending inventory quantity	532	340	939	518	545	78.5	-38.1	176.2	5.6
U.S. processors' (based on USDA/NASS data):									
Total shipments:									
Quantity	134,688	131,638	147,532	39,507	38,330	9.5	-2.3	12.1	-3.0
Value (4)	370,387	338,305	331,952	88,101	87,776	-10.4	-8.7	-1.9	-0.4
U.S. processors' (based on questionnaire data):									
Average capacity quantity	150,585	146,198	169,888	43,710	45,781	12.8	-1.6	14.8	4.7
Production quantity	108,285	103,112	108,489	25,914	26,225	0.2	-4.8	5.2	1.2
Capacity utilization (1)	71.9	69.8	63.8	59.3	57.3	-8.1	-2.3	-5.7	-2.0
U.S. shipments:									
Quantity	107,059	100,101	110,909	29,832	30,191	3.6	-6.5	10.8	0.9
Value	294,203	257,338	249,107	68,812	69,028	-15.3	-12.5	-3.2	3.3
Unit value	\$2.75	\$2.57	\$2.25	\$2.23	\$2.29	-18.3	-8.5	-12.6	2.4
Export shipments:									
Quantity	389	409	288	92	48	-27.4	10.8	-34.5	-50.0
Value	1,040	1,188	732	256	127	-29.8	12.1	-37.2	-50.4
Unit value	\$2.82	\$2.85	\$2.73	\$2.76	\$2.76	-3.1	1.2	-4.2	-0.8
Ending inventory quantity	8,051	10,654	8,195	6,380	4,303	1.8	32.3	-23.1	-32.6
Inventories/total shipments (1)	7.5	10.6	7.4	5.3	3.8	-0.1	3.1	-3.2	-1.8
Production workers	3,365	3,056	2,918	2,929	2,758	-13.3	-9.2	-4.5	-6.8
Hours worked (1,000s)	6,253	5,534	5,373	1,482	1,500	-14.1	-11.5	-2.9	1.2
Wages paid (\$1,000s)	45,558	42,180	41,884	10,631	10,437	-8.5	-7.4	-1.2	-1.8
Hourly wages	\$7.29	\$7.62	\$7.78	\$7.17	\$6.88	6.5	4.8	1.8	-3.0
Productivity (pounds per hour)	17.3	18.6	20.0	17.3	17.6	15.6	7.5	7.5	1.6
Unit labor costs	\$0.42	\$0.41	\$0.39	\$0.41	\$0.39	-7.9	-2.7	-5.3	-5.3
Net sales:									
Quantity	97,319	94,288	97,918	26,374	27,174	0.8	-3.1	3.8	3.0
Value	274,054	247,283	223,589	80,166	82,706	-18.6	-10.0	-9.6	4.2
Unit value	\$2.82	\$2.62	\$2.28	\$2.28	\$2.31	-18.1	-7.1	-12.9	1.2
Cost of goods sold (COGS)	244,283	215,934	188,507	54,180	55,805	-18.7	-11.6	-8.1	3.0
Gross profit or (loss)	30,371	31,349	25,082	6,006	6,901	-17.4	3.2	-20.0	14.9
SG&A expenses	24,131	24,799	24,880	5,643	6,091	3.0	2.8	0.2	7.9
Operating income or (loss)	6,240	6,550	222	383	810	-98.4	5.0	-98.8	123.2
Capital expenditures	8,879	20,823	12,431	4,185	3,312	80.7	204.2	-40.8	-20.9
Unit COGS	\$2.51	\$2.29	\$2.03	\$2.05	\$2.05	-19.2	-8.8	-11.5	0.0
Unit SG&A expenses	\$0.25	\$0.26	\$0.25	\$0.21	\$0.22	2.4	6.1	-3.5	4.8
Unit operating income or (loss)	\$0.05	\$0.07	\$0.00	\$0.01	\$0.03	-98.5	8.3	-98.7	116.6
COGS/sales (1)	88.9	87.3	88.8	90.0	89.0	-0.2	-1.6	1.5	-1.0
Operating income or (loss)/ sales (1)	2.3	2.6	0.1	0.6	1.3	-2.2	0.4	-2.5	0.7

(1) "Reported data" are in percent and "period changes" are in percentage points.

(2) Less than 0.05 percent.

(3) Not applicable.

(4) Calculated on the basis of average unit value of total shipments based on questionnaire data.

Note.—Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

Source: Compiled from data submitted in response to Commission questionnaires, from official Commerce data, and from official USDA/NASS data.

APPENDIX D

**FIRMS' NARRATIVES ON THE IMPACT OF THE ORDER AND
THE LIKELY IMPACT OF REVOCATION**

Table D-1
Frozen fish fillets: Firms' narratives on the impact of the order(s) and the likely impact of revocation

Item / Firm	Narrative
U.S. producers: Effect of order on firm:	
***	***
***	***
***	***
***	***
***	***

Table continued on next page.

Table D-1--Continued

Frozen fish fillets: Firms' narratives on the impact of the order(s) and the likely impact of revocation

Item / Firm	Narrative
U.S. producers: Effect of order on firm:	
***	***
***	***
***	***
U.S. producers: Likely impact of revocation on firm:	
***	***
***	***
***	***

Table continued on next page.

Table D-1--Continued

Frozen fish fillets: Firms' narratives on the impact of the order(s) and the likely impact of revocation

Item / Firm	Narrative
U.S. producers: Likely impact of revocation on firm:	
***	***
***	***
***	***
U.S. importers: Effect of order on firm:	
***	***
***	***
***	***
U.S. importers: Likely impact of revocation on firm:	
***	***

Table continued on next page.

Table D-1--Continued

Frozen fish fillets: Firms' narratives on the impact of the order(s) and the likely impact of revocation

Item / Firm	Narrative
U.S. purchasers: Effect of order on firm:	
***	***
***	***
***	***
***	***
***	***
***	***
U.S. purchasers: Likely impact of revocation on firm:	
***	***
***	***
***	***
***	***

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

