

<

MINISTRY OF COMMERCE & INDUSTRY
(Department of Commerce)
Directorate General of Anti Dumping & Allied Duties

New Delhi, the 26th November, 2002

INITIATION NOTIFICATION

Subject: - Initiation of anti-dumping investigation concerning import of Butter Oil from New Zealand.

No. 14/49/2002-DGAD- The Centre for International Trade in Agriculture and Agro-Based Industries (CITA) on behalf of the domestic industry i.e. the dairy industry and the milk producers has filed a petition in accordance with the Customs Tariff Act, 1975 as amended in 1995 and Customs Tariff (Identification, Assessment and Collection of Anti Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 before the Designated Authority (herein after referred to as the Authority) alleging dumping of Butter Oil from New Zealand (herein after referred to as subject country) and requested for anti dumping investigations and levy of anti dumping duties.

1. **Product involved:** The product involved in the present petition is Butter Oil (also referred as subject goods hereinafter) originating in or exported from the subject country and classified under Custom Tariff Act, 1975 (Custom Head 040500) and attracts a Customs duty of 40%. The product is a dairy product and is used in adulteration of Desi Ghee. It is generally used after refining and removing the yellow colour and therefore branding it as Desi Ghee from buffalo milk. The various ISI specifications pertaining to the product are as under:-

Characteristics ISI Specification

- Fat % by Mass Min.99.5%
- Moisture % by mass Max. 0.5%
- BR Reading at 40 deg. C 40.0-44.0
- RM Value Min. 24 (For imported product)
- FFA% by mass (As OA) Max 0.3
- Peroxide value(Meq. of Max 0.8
- Oxygen/Kg. Of Butter Oil)
- Coliform/gm Absent

The classification, is, however, indicative only and is in no way binding on the scope of the present investigation.

2. Domestic Industry Standing: The petition has been filed by Centre for International Trade in Agriculture and Agro-Based Industries (CITA) on behalf of the domestic industry. The petitioner has mentioned that the total production of ghee of organised sector for marketing purpose is around 125500 tons (Branded) and that the National Cooperative Dairy Federation (NCDF) represents about 50% of the total domestic marketable branded ghee. In view of this, the petitioners satisfy the standing to file the petition as per Rule 5 (3) (a) and (b) and also represent the domestic industry as per Rule 2(b).

3. Country(ies) involved: The country involved in present investigation is New Zealand.

4. Like Article: The petitioner has also indicated that the ghee is a similar product to the dumped product and that according to Codex Standards, ghee and butter oil are very much similar as both are made from milk fat but the methodology is different. The petitioner has also indicated that the imported Butter Oil is produced by heating the high fat cream or butter under vacuum whereas the ghee is produced by open pan processing method with no vacuum. The investment required to set up a butter oil unit is very high compared to ghee making, this adds to the cost of manufacturing of butter oil that is why generally the price of the product is at par or more than the ghee. As the two are used interchangeably, the goods produced by the petitioner are being treated as like article to the goods imported from the subject country within the meaning of the Rule 2(d).

5. Normal Value: The petitioner has indicated the representative prices of Butter and Butter Oil prevailing in Oceania on the basis of secondary sources. The petitioner has referenced these representative prices for the purpose of referencing normal value of the subject goods in the subject country. The Authority has considered these representative prices as the prima facie evidence for referencing the normal value of the subject goods in the subject country.

6. Export Price: The petitioner has provided the resale price of the goods in India exported from the subject country in India. The petitioner has also indicated the transportation cost from the subject country to India and also the margin made in resale so as to construct the ex-factory export price of the subject goods to India. The Authority has referenced the evidence of resale and the appropriate adjustments indicated for the purpose of evaluating the ex-factory export price of the subject goods to India.

7. Dumping Margin: The petitioner has submitted that there is sufficient prima-facie evidence that the normal value of the subject country is higher than the price at which it has been exported to India indicating prima-facie that the subject goods are being dumped by the exporters from the subject country.

8. Injury and Causal Link: The petitioner has indicated sharp decline in prices and accordingly financial losses to the domestic industry by way of lowered Net Sales Realisation due to the alleged dumped imports thereby causing injury to the domestic industry. The demand of the subject goods has also not declined which has therefore not caused injury to the domestic industry.

9. Initiation of Anti-Dumping Investigation: The Designated Authority, in view of the foregoing paragraph, initiates anti-dumping investigations into the existence, degree and effect of alleged dumping of the subject goods originating in or exported from the subject country.

10. Period of Investigation: The period of investigation for the purpose of present investigation is 1st April, 2001 to 30th September, 2002.

11. Submission of Information: The exporters in the subject country and the importers in India known to be concerned are being addressed separately to submit relevant information in the form and manner prescribed and to make their views known to the Designated Authority at the following address:-

Designated Authority

Ministry of Commerce & Industry
Department of Commerce
Directorate General of Anti Dumping
& Allied Duties
Udyog Bhavan, New Delhi- 110011.

Any other interested party may also make its submissions relevant to the investigation in the prescribed form and manner within the time limit set out below.

12. Time Limit: Any information relating to the present investigations should be sent in writing so as to reach the Authority at the address mentioned above not later than forty days from the date of publication of this notification. The known exporters and importers, who are being addressed separately, are, however, required to submit the information within forty days from the date of the letter addressed to them separately.

13. Non-confidential summary: All interested parties must provide a non-confidential summary of any information provided on a confidential basis in terms of

Anti-Dumping Rule 7(2). This information will be subject to acceptance in terms of Rules 7(1) and 7(2)

14. **Inspection of Public File:** In terms of Rule 6(7), any interested party may inspect the public file containing non-confidential version of the evidence submitted by other interested parties.

15. In case where an interested party refuses access to, or otherwise does not provide necessary information within a reasonable period, or significantly impedes the investigation, the Authority may record its findings on the basis of the facts available to it and make such recommendations to the Central Government as deemed fit.

(L.V. SAPTHARISHI)
DESIGNATED AUTHORITY