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Canada

Fresh Deciduous Fruit

Canada Rescinds Anti-Dumping Duty on U.S. Apples 2000

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Report Highlights: Following a review of its finding, Canada's International Trade Tribunal rescinded the anti-dumping duties on U.S. fresh Delicious and Red Delicious apples that have been in effect for the last five years. The Tribunal noted that little dumping occurred since the finding was issued and concluded that dumping is not likely to resume in the foreseeable future.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Ottawa [CA1], CA

On February 8, 2000 the Canadian International Trade Tribunal (CITT) rescinded the anti-dumping duties on U.S. fresh Delicious and Red Delicious apples that had been in effect for the last five years. Following a review of the case, conducted during the last half of 1999 (see CA9088), the CITT concluded that a resumption of dumping is unlikely if the finding is rescinded.

In a summary statement, the CITT concluded that...

“ imports of Red Delicious apples from the United States will continue to be of high quality and at premium prices beyond the current crop year. Given the premium which growers are able to extract from the market for higher-quality Red Delicious apples, the Tribunal is of the view that these apples are unlikely to be dumped. The Tribunal notes that decreasing Red Delicious apple acreage in the United States, the significant level of exports to other countries and efforts to increase U.S. domestic consumption of Red Delicious apples are combining to better balance supply and demand conditions in the United States for Red Delicious apples. Moreover, the Tribunal is of the view that the rapid growth of new and higher-priced apple varieties is an additional factor that is likely to alleviate the pressure on prices. The Tribunal also notes that very little dumping has occurred since the finding was issued. Therefore, the Tribunal finds that it is unlikely that, absent an abnormally large crop, Red Delicious apples from the United States will be dumped, in any significant quantity, in the near future.

Historical levels of production of Red Delicious apples in Washington, in recent years, indicate that crop volumes significantly above average levels occur once every five or six years.¹ These abnormally high volumes can cause prices to fall to a level close to, or even below, costs of production for part of that year. However, the Tribunal is of the view that a likelihood of resumed dumping cannot be established solely on the basis of the likely price effects should there be an abnormal crop year, which may or may not occur in the near term.

For the foregoing reasons, the Tribunal concludes that dumping is not likely to resume in the foreseeable future and hereby rescinds its finding concerning fresh, whole, Delicious and Red Delicious apples originating in or exported from the United States of America. In light of this conclusion, it is not necessary for the Tribunal to consider the issue of the likelihood of injury.”

The full text of the order is available on the CITT website at:

http://www.citt.gc.ca/dumping/Reviews/Orders/indx98_e.htm

Background: Canada initially imposed anti-dumping duties on imports of U.S. Red Delicious apples in 1989. The initial case was allowed to expire in early 1994 but the GOC responded with a new anti-dumping investigation which resulted in the renewed application of anti-dumping duties. Since February 1995, if U.S. f.o.b. export prices to Canada were below US\$12.99 per 42 lb. box, Revenue Canada applied a dumping duty equal to the difference between the export price and US\$12.99. The anti-dumping duty did not apply to imports between July 1 and September 30 each year.

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