



FACT SHEET

Commerce Finds Countervailable Subsidization of Imports of Ammonium Sulfate from the People's Republic of China

- On January 10, 2017, the Department of Commerce (Commerce) announced its affirmative final determination in the countervailing duty (CVD) investigation of imports of ammonium sulfate from the People's Republic of China (China).
- The CVD law provides U.S. businesses and workers with a transparent, quasi-judicial, and internationally accepted mechanism to seek relief from the market-distorting effects caused by injurious subsidization of imports into the United States, establishing an opportunity to compete on a level playing field.
- For the purpose of CVD investigations, a countervailable subsidy is financial assistance from a foreign government that benefits the production of goods from foreign companies and is limited to specific enterprises or industries, or is contingent either upon export performance or upon the use of domestic goods over imported goods.
- Commerce found that both mandatory respondents, Wuzhoufeng Agricultural Science & Technology Co. Ltd. and Yantai Jiahe Agriculture Means of Production Co. Ltd, received countervailable subsidies at a rate of 206.72 percent, based on adverse facts available. Commerce assigned a final subsidy rate of 206.72 percent for all other producers/exporters in China.
- As a result of the affirmative final CVD determination, Commerce will order the continuation of suspension of liquidation and require a cash deposit for countervailing duties equal to the final subsidy rates for the mandatory respondents and all other producers and exporters not individually selected for investigation. If the U.S. International Trade Commission (ITC) issues a negative injury determination, however, the investigation will be terminated and no producers or exporters will be subject to further cash deposits for countervailing duties. In such an event, all previously collected cash deposits will be refunded.
- The petitioner for this investigation is PCI Nitrogen, LLC (TX).
- The merchandise covered by this investigation is ammonium sulfate in all physical forms, with or without additives such as anti-caking agents. Ammonium sulfate, which may also be spelled as ammonium sulphate, has the chemical formula $(\text{NH}_4)_2\text{SO}_4$.

The scope includes ammonium sulfate that is combined with other products, including by, for example, blending (*i.e.*, mixing granules of ammonium sulfate with granules of one or more other products), compounding (*i.e.*, when ammonium sulfate is compacted with one or more other products under high pressure), or granulating (incorporating multiple products into granules through, *e.g.*, a slurry process). For such combined products, only the ammonium sulfate component is covered by the scope of this investigation.

Ammonium sulfate that has been combined with other products is included within the scope regardless of whether the combining occurs in countries other than China.

Ammonium sulfate that is otherwise subject to this investigation is not excluded when commingled (*i.e.*, mixed or combined) with ammonium sulfate from sources not subject to this investigation. Only the subject component of such commingled products is covered by the scope of this investigation.

The Chemical Abstracts Service (CAS) registry number for ammonium sulfate is 7783-20-2.

The merchandise covered by this investigation is currently classifiable under Harmonized Tariff Schedule of the United States (HTSUS) subheading 3102.21.0000. Although this HTSUS subheading and CAS registry number are provided for convenience and customs purposes, the written description of the scope of this investigation is dispositive.

- In 2015, imports of ammonium sulfate from China were valued at an estimated \$62 million.

NEXT STEPS

- The ITC is scheduled to make its final injury determination in this investigation on February 23, 2017.
- If the ITC makes an affirmative final determination that imports of ammonium sulfate from China materially injures, or threatens material injury to, the domestic industry, Commerce will issue a CVD order. If the ITC makes a negative determination of injury, the investigation will be terminated.

FINAL SUBSIDY RATES:

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATES
China	Wuzhoufeng Agricultural Science & Technology Co. Ltd.	206.72%
	Yantai Jiahe Agriculture Means of Production Co. Ltd.	206.72%
	All Others	206.72%

CASE CALENDAR:

EVENT	CVD INVESTIGATION
Petition Filed	May 25, 2016
DOC Initiation Date	June 14, 2016
ITC Preliminary Determination	July 9, 2016
DOC Preliminary Determination	October 24, 2016
DOC Final Determination	January 9, 2017
ITC Final Determination	February 23, 2017
Issuance of Orders**	March 2, 2017

NOTE: Commerce preliminary and final determination deadlines are governed by statute. For CVD investigations, the deadlines are set forth in sections 703(b) and 705(a)(1) of the Tariff Act of 1930, as amended (the Act).

*This will take place only in the event of a final affirmative determination by Commerce.

**This will take place only in the event of final affirmative determinations by Commerce and the ITC.

IMPORT STATISTICS:

CHINA	2013	2014	2015
Volume (metric tons)	42,900	207,700	335,300
Value (USD)	9,159,000	54,589,000	62,037,000

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 3102.21.0000)