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July 5, 2006

MEMORANDUM TO: David M. Spooner
Assistant Secretary
for Import Administration

FROM: Stephen J. Claeys
Deputy Assistant Secretary
for Import Administration

SUBJECT: Issues and Decision Memorandum for the 6th Administrative
Review of Certain Preserved Mushrooms from the People's
Republic of China

SUMMARY:

We have analyzed the comments submitted in the sixth administrative review of certain preserved mushrooms from the People's Republic of China ("PRC"). As a result of our analysis, we have made changes from the Preliminary Results. See Certain Preserved Mushrooms from the People's Republic of China: Partial Rescission and Preliminary Results of the Sixth Administrative Review, 70 FR 11183 (March 6, 2006) ("Preliminary Results"). The specific calculation changes for Raoping Yucun Canned Foods Factory ("Raoping Yucun") can be found in Analysis for the Final Determination of Certain Preserved Mushrooms from the People's Republic of China: Raoping Yucun Canned Foods Factory ("Final Analysis Memo").

We recommend that you approve the positions we have developed in the "Discussion of the Issues" section of this Issues and Decision Memorandum. Below is the complete list of the issues in this antidumping duty review for which we received comments on the Preliminary Results:

GENERAL COMMENTS:

- Comment 1: Surrogate Value for Straw
- Comment 2: Surrogate Value for Mushroom Spawn
- Comment 3: Surrogate Value for Cow Manure
- Comment 4: Surrogate Value for Tin Cans/Tin Lids
- Comment 5: Surrogate Value for Steam Coal
- Comment 6: Surrogate Value for Calcium Carbonate
- Comment 7: Calculation of Surrogate Financial Ratios

BACKGROUND:

The merchandise covered by this order is certain preserved mushrooms as described in the “Scope of the Order” section of the Federal Register notice. The period of review (“POR”) is February 1, 2004, to January 31, 2005. In accordance with section 351.309(c)(ii) of the Department of Commerce’s (“the Department”) regulations, we invited parties to comment on our Preliminary Results. Only one interested party in this review submitted comments for the final results, Raoping Yucun. On May 17, 2005, Raoping Yucun filed a case brief. No other party commented on our Preliminary Results.

DISCUSSION OF THE ISSUES:

I. General Issues

Comment 1: Surrogate Value for Straw

Raoping Yucun contends that in choosing the most appropriate surrogate value, the Department considers several factors, including the quality, specificity and contemporaneity of the data. According to Raoping Yucun, the surrogate value information selected by the Department, and the alternate surrogate value information placed on the record by Raoping Yucun on May 10, 2006, are equal with respect to contemporaneity, tax-exclusiveness and reflecting non-export average pricing. However, Raoping Yucun argues that the surrogate value information provided in its April 10, 2006, submission is more specific to the actual inputs used to produce subject merchandise.

Raoping Yucun notes that in the Preliminary Results the Department used Indian import statistics to value straw, specifically Harmonized Tariff Schedule (“HTS”) number 1213.00, “Cereal, Straw and Husks” provided by the World Trade Atlas (“WTA”).¹ According to Raoping Yucun, HTS 1213.00 is a basket category which includes cereal and husks. Raoping Yucun notes, however, that it has only reported the use of straw in the production of subject merchandise. Raoping Yucun argues that the cereal and husk portions of a grain stalk are more valuable than the straw portion, making HTS 1213.00 inappropriate to value straw. Raoping Yucun contends that the Department should value straw as it has in past administrative reviews, using Indian company financial statements. According to Raoping Yucun, the Department should value straw using the financial statements of three Indian companies: Agro Dutch Industries Limited (“Agro Dutch”) 2003-2004 & 2004-2005; Premier Explosives (“Premier”) 2003-2004 and Flex Foods (“Flex”) 2003-2004.

¹ WTA is published by Global Trade Information Services, Inc., which is a secondary electronic source based upon the publication Monthly Statistics of the Foreign Trade of India. Volume II: Imports. See <http://www.gtis.com/wta.htm>. The Monthly Statistics of the Foreign Trade of India. Volume II: Imports contains publicly available import prices, as published by the Directorate General of Commercial Intelligence and Statistics of the Ministry of Commerce and Industry, Government of India.

Department's Position:

We agree with Raoping Yucun, in part.

The Department's practice when selecting the "best available information" for valuing factors of production ("FOPs"), in accordance with section 773(c)(1) of the Act, is to select, to the extent practicable, surrogate values which are representative of a broad market average, are publicly available, non-export average values, most contemporaneous with the POR, product-specific, and tax-exclusive. See Final Determination of Sales at Less Than Fair Value: Certain Artist Canvas from the People's Republic of China, 71 FR 16116 (March 30, 2006) and accompanying Issues and Decision Memorandum at Comment 2; see also Certain Frozen Fish Fillets From the Socialist Republic of Vietnam: Final Results of the First Administrative Review, 71 FR 14170 (March 21, 2006) and accompanying Issues and Decision Memorandum at Comment 3A. The Department undertakes its analysis of valuing the FOPs on a case-by-case basis, carefully considering the available evidence in light of the particular facts of each industry. See Glycine from the People's Republic of China: Notice of Final Results of Antidumping Duty Administrative Review, 70 FR 47176 (August 12, 2005) and accompanying Issues and Decision Memorandum at Comment 1. There is no hierarchy for applying the above-stated principles. Thus, the Department must weigh available information with respect to each input value and make a product-specific and case-specific decision as to what the "best" surrogate value is for each input. See Freshwater Crawfish Tail Meat from the People's Republic of China; Notice of Final Results of Antidumping Duty Administrative Review, and Final Partial Rescission of Antidumping Duty Administrative Review, 67 FR 19546 (April 22, 2002) at Surrogate Value Information - Introduction.

Raoping Yucun argues that the surrogate values used by the Department to value FOPs in the Preliminary Results followed the Department's past precedents with the exception that they are not specific to the inputs in question. With respect to the surrogate value for straw, Raoping Yucun correctly notes that the description provided by WTA for HTS 1213.00, "Cereal, Straw and Husks," contains several items, only one of which is used by Raoping Yucun in the production of subject merchandise. See Memorandum from Paul Walker, Case Analyst, through Alex Villanueva, Program Manager, Office 9 and James C. Doyle, Office Director, Office 9, to The File, 6th Antidumping Duty Administrative Review of Certain Preserved Mushrooms from the People's Republic of China: Regarding Surrogate Values for the Preliminary Results, dated February 28, 2006 ("Surrogate Values Memo") at 3-4. Cereal and Husks, as named in the HTS heading, are clearly not comparable to straw, which is the factor of production in question. After weighing the available information on the record, we agree with Raoping Yucun that HTS 1213.00 is an overly broad HTS for Raoping Yucun's straw input and would be inappropriate because a more product-specific surrogate value is available in the Indian company financial statements.

Raoping Yucun argues that straw should be valued using the financial statements of three Indian companies: Agro Dutch 2003-2004 & 2004-2005; Premier 2003-2004 and Flex 2003-2004. In

the course of this review, Raoping Yucun stated that it uses straw as an ingredient for compost, and that the compost is then used to grow mushrooms. See Raoping Yucun's May 18, 2005, submission at Exhibit D-2. It is clear from its financial statements that Agro Dutch grows mushrooms. See Raoping Yucun's April 10, 2006, submission at Exhibit 3 for Agro Dutch's 2004-2005 financial statements. As such, the Department finds that, absent any information to the contrary, it would be reasonable to infer that the straw values found in the Agro Dutch 2003-2004 & 2004-2005 financial statements are reflective of the type of straw used to grow mushrooms. While they are not representative of a broad market average, we note that Agro Dutch's financial statements are publicly available, contemporaneous with the POR, product-specific and tax-exclusive. A careful review of the Flex 2003-2004 financial statements shows that there is no mention of Flex growing mushrooms and, consequently, it is unclear for what purpose Flex uses straw, which could, in turn, affect the comparability of the straw. Only two pages of Premier's financial statements are on the record of this review and give no indication as to the nature of Premier's business scope. Consequently, it is unclear for what purpose Premier uses straw, given that it appears to be an explosives company and this, in turn, could affect the comparability of the straw. Therefore, in calculating the surrogate value for straw for these final results of review, we have used the Agro Dutch 2003-2004 & 2004-2005 financial statements rather than WTA or the Flex and Premier financial statements, as Agro Dutch is a mushroom producer and, consequently, the straw it uses is likely to be more similar to the straw used by Raoping Yucun.

Comment 2: Surrogate Value for Mushroom Spawn

Raoping Yucun notes that in the Preliminary Results the Department used Indian import statistics to value mushroom spawn, specifically HTS 0602.90.10, "Mushroom Spawn." According to Raoping Yucun, HTS 0602.90.10 is a basket category which contains unspecified types of mushroom spawn such as shiitake mushrooms, oyster mushrooms and other gourmet/exotic species, and is not representative of the commercial price of mushroom spawn in India. Raoping Yucun contends that the Department should value mushroom spawn as it has in past administrative reviews, using Indian company financial statements. According to Raoping Yucun, the Department should value mushroom spawn using the financial statements of three Indian companies: Agro Dutch 2000-2001, Premier 2002-2003 and Flex 2002-2003.

Raoping Yucun argues that the more contemporaneous mushroom spawn values contained in the Flex 2003-2004 and Premier 2003-2004 financial statements, should not be used because they are aberrational as compared with mushroom spawn values used in past reviews.

Department's Position:

The Department disagrees with Raoping Yucun.

Raoping Yucun argues in its case brief that the Department should value FOPs with Indian company financial statements rather than WTA data for factors associated with producing subject

merchandise. In this review, the Department placed WTA data on the record to value FOPs. As noted above, among the criteria considered by the Department for selecting an appropriate surrogate value is a preference for surrogate values which represent a broad market average. The Department has found in numerous cases that the import data from WTA represents the best information available for the valuation of FOPs because it is contemporaneous, representative of a broad market average, product-specific and tax-exclusive. See Final Determination of Sales at Less Than Fair Value and Final Partial Affirmative Determination of Critical Circumstances: Diamond Sawblades and Parts Thereof from the People's Republic of China, 71 FR 29303 (May 22, 2006) and accompanying Issues and Decision Memorandum at Comment 11D. We note that we did not use WTA data to value mushroom spawn in past administrative reviews because this information was not on the record of those reviews.

Regarding mushroom spawn, the description of HTS 0602.90.10, "Mushroom Spawn," matches the description of the input used in the production of subject merchandise. The Department notes that there is no record evidence that HTS 0602.90.10 is a basket category containing exotic species or gourmet mushrooms such as shiitake mushrooms and oyster mushrooms. In addition, the financial statement information similarly is silent with respect to spawn species. Consequently, even if species of mushroom spawn other than those corresponding to subject merchandise were included in this HTS number, there is no evidence to suggest that the financial statement data is more product specific than the WTA data.

A careful review of the Agro Dutch 2000-2001, Premier 2002-2003, and Flex 2002-2003, financial statements shows that there are only two pages from each of these financial statements on the record of this review.² We note that the financial statements Raoping Yucun has argued the Department should use to value mushroom spawn contain no information as to the species of mushroom spawn listed therein. Raoping Yucun correctly notes that in past reviews the Department has used contemporaneous Indian company financial statements to value mushroom spawn. However, Raoping Yucun does not suggest that in the instant review we use contemporaneous financial statements. Instead, Raoping Yucun argues that the Department should use non-contemporaneous Indian company financial statements to value mushroom spawn because, it claims, the contemporaneous WTA data and the contemporaneous Indian company financial statements are not representative of the commercial price of mushroom spawn in India because they show a significant increase in price over prior periods. We note that the value for mushroom spawn found in the contemporaneous Indian company financial statements is consistent with the WTA value for mushroom spawn in that both show a higher value of mushroom spawn as compared to the values from non-contemporaneous prior sources. Raoping Yucun has not suggested that we use the contemporaneous financial statements and, in any event, contemporaneous WTA data is available. Because the WTA data is contemporaneous and represents a broad market average, we consider this information to be preferable to the financial statement information Raoping Yucun suggests we use in valuing mushroom spawn. Consequently, we have not used the financial statement information to value

² One of these pages is the cover page to the Indian companies' annual report.

mushroom spawn. For the final results, the Department will continue to use HTS 0602.90.10 to value mushroom spawn.

Comment 3: Surrogate Value for Cow Manure

Raoping Yucun notes that in the Preliminary Results the Department used WTA to value cow manure, specifically a HTS number for “Mineral/Chemical Fertilizers- Others.” According to Raoping Yucun, this HTS number is a basket category which contains mineral/chemical fertilizers. Raoping Yucun notes, however, that it has reported the use of cow manure in the production of subject merchandise, not mineral/chemical fertilizer. Raoping Yucun argues that this HTS number is not representative of the commercial price of cow manure in India, which is a natural, animal fertilizer. Raoping Yucun contends that the Department should value cow manure as it has in past administrative reviews, using Indian company financial statements. According to Raoping Yucun, the Department should value cow manure using the financial statements of two Indian companies: Agro Dutch 2003-2004 & 2004-2005, and Premier 2003-2004.

Department’s Position:

The Department disagrees with Raoping Yucun.

While it would appear that using Raoping Yucun’s proposed value for cow manure would be a closer match to the input in question, it is not appropriate. We are missing a critical portion of Raoping Yucun’s proposed value, a conversion factor to convert cubic feet (“cu. ft.”) of cow manure into kilograms (“kg”) of cow manure. Moreover, the manner in which Raoping Yucun provided their proposed cow manure value prevents us from relying on that value.

At the outset, the Department notes that we made several requests for factor value information in the instant review. See the Department’s letter dated April 13, 2005; the Department’s letter dated November 15, 2005; and, the Department’s supplemental questionnaire, dated January 3, 2006. In addition, section 351.301(c)(3)(ii) of the Department’s regulations allows interested parties to submit factor value information up to 20 days after the preliminary results. The Preliminary Results were published March 6, 2006; consequently, the statutory time limit to submit factor value information was March 27, 2006.³ On March 23, 2006, Raoping Yucun requested an extension of time to submit factor value information. Notwithstanding our previous requests for this information, the Department granted Raoping a two-week extension to submit publicly available information. On April 10, 2006, Raoping Yucun submitted factor value information. The Department accepted and considered all factor value information Raoping Yucun submitted within the proscribed regulatory deadline, as extended.

³ March 26, 2006 was a Sunday, therefore, the due date was the next business day.

On April 14, 2006, we received Raoping Yucun's case brief. On April 19, 2006, the Department notified Raoping Yucun that it was returning Raoping Yucun's brief because it contained information not timely filed under the regulations and offered Raoping Yucun the opportunity to redact the new information and to resubmit the brief. On April 21, 2006, Raoping Yucun resubmitted its brief; however it failed to redact all references to the new information that appeared in its April 14, 2006, brief. On May 16, 2006, we requested again that Raoping Yucun resubmit its brief without the references to the new information. On, May 17, 2006, Raoping Yucun refiled its brief and redacted all new information.

Some of the new information contained in Raoping Yucun's case brief concerned a conversion factor which is used to convert cu. ft. of cow manure into kg of cow manure. When rejecting untimely filed information, the Department may not consider allowing selective new information to be placed on the record. Therefore, when the Department rejected Raoping Yucun's case brief, the Department requested that all new information be redacted, including Raoping Yucun's proposed conversion factor. To do otherwise would constitute a selective, and arbitrary, enforcement of the rules that govern these proceedings.

The Department notes that Raoping Yucun reported its use of cow manure on a kg basis. See Raoping Yucun's May 18, 2005, submission at D-7. Raoping Yucun has proposed that the Department value cow manure using a surrogate value which is reported in cu. ft. Raoping Yucun's proposed surrogate value is based on a conversion factor from cu. ft. to kg that is not supported by record evidence. Because there is no record evidence to support this proposed conversion of cu. ft. to kg, we cannot rely on the surrogate value proposed by Raoping Yucun in its brief. Absent information that supports the conversion factor, the Department is unable to evaluate the appropriateness of Raoping Yucun's proposed cow manure surrogate value. Even if we were to use Raoping Yucun's conversion ratio, the Department would need to carefully examine the soundness and reliability of the conversion ratio, such as whether it accounts for such differences as may exist between wet and dry manure.

As noted above, the Department does not prefer an overly broad HTS category where a more product-specific surrogate value is available. However, in the instant review, the only available surrogate value for cow manure is the WTA information for "Mineral/Chemical Fertilizers- Others," which the Department acknowledges is not identical to the specific input in question. While the Department recognizes that chemical/mineral fertilizer may be valued differently than animal fertilizer, we note that the end uses of the fertilizers are similar, in that they both provide nutrients to plants. We also note that the WTA data is contemporaneous, publicly available, and representative of a broad market average. The Department has shown a general preference for WTA data over company financial statements because WTA data is contemporaneous, publicly available, and representative of a broad market average. See Polyvinyl Alcohol From the People's Republic of China: Final Results of Antidumping Duty Administrative Review, 71 FR 27991 (May 15, 2006) and accompanying Issues and Decision Memorandum at Comment 1. In past administrative reviews, WTA data for cow manure was not on the record of those reviews and, consequently, the Department was unable to consider valuing cow manure using WTA data.

Therefore, for these final results, to value Raoping Yucun's cow manure, we will continue to use "Mineral/Chemical Fertilizers- Others," as no other usable information is available on the record.

Comment 4: Surrogate Value for Tin Cans/Lids

Raoping Yucun notes that in the Preliminary Results the Department used WTA to value tin cans/tin lids, specifically HTS 7310.21, "Tin/Other Cans to be Soldered/Crimped/Closed" and HTS 8004.00, "Tin Plates, Sheet and Strip- over 0.2mm." According to Raoping Yucun, these HTS numbers, while pertaining to the tin used in cans and lids, do not represent the type of tin cans/lids used by Raoping Yucun in the production of mushrooms. Raoping Yucun contends that the Department should value tin cans/lids with a value for tin plate, as it has in past administrative reviews, using an Indian company's financial statements. According to Raoping Yucun, the Department should value tin plate in this review using the Agro Dutch 2003-2004 & 2004-2005 financial statements.

Department's Position:

We disagree with Raoping Yucun.

Raoping Yucun has provided no information to support its claim that the cans it uses to can mushrooms constitute a different "type" of can from those reflected in the WTA data, such that the WTA valuation is not appropriate to use in valuing Raoping Yucun tin can FOPs.

In addition, Raoping Yucun has argued that instead of valuing tin cans/tin lids using WTA, the Department should value tin cans/lids using the average value for tin plate found in Agro Dutch's 2003-2004 & 2004-2005 financial statements. A careful review of the Agro Dutch 2004-2005 financial statements show that Agro Dutch produces its cans through a dedicated can manufacturing plant using tin plate.⁴ See Raoping Yucun's April 10, 2006, submission at Exhibit 3, Agro Dutch 2004-2005 financial statements at 3. Raoping Yucun stated that it purchases tin cans/lids and does not produce them. See Raoping Yucun's August 16, 2005, submission at 15 and 17. Consequently, tin cans/lids are the actual factors of production which Raoping Yucun purchases and uses. We find it inappropriate to value Raoping Yucun's purchased tin cans/lids using Agro Dutch's tin plate value because tin plate is only one input into the production of tin cans/lids. Agro Dutch's tin plate value, by itself, necessarily does not reflect the costs associated with the production of tin cans/lids. To use Agro Dutch's inputs into tin cans/lids would necessarily undercount the value of Raoping Yucun's tin cans/lids. Therefore, for the final results, the Department will continue to value tin cans/lids using HTS 7310.21 and HTS 8004.00, respectively, because these HTS numbers most accurately reflect the specific input in question.

⁴ Agro Dutch makes tin cans for internal use as well as for sale, purchasing over 5,000 metric tons of tin plate to produce tin cans. See Raoping Yucun's April 10, 2006, submission at Exhibit 3, Agro Dutch 2004-2005, financial statements at 28.

Comment 5: Surrogate Value for Steam Coal

Raoping Yucun notes that in the Preliminary Results the Department used WTA to value steam coal, specifically HTS 2701.19.20, “Steam Coal.” According to Raoping Yucun, the Department should use Tata Research Institute's Energy Data Directory & Yearbook (“TERI”) energy data to value steam coal as it has done in other reviews. Raoping Yucun argues that HTS 2701.19.20 does not differentiate among the various grades of steam coal, whereas TERI data does differentiate between the various grades of coal. Accordingly, Raoping Yucun argues, the Department should value steam coal based upon the highest grade of steam coal reported by the TERI directory.

Department’s Position:

The Department agrees with Raoping Yucun, in part.

At the outset, we note that the value for steam coal which Raoping Yucun has suggested the Department use in these final results is not the highest value for steam coal as reported by TERI, but an average value for all grades of steam coal. TERI data provides complete and comprehensive information concerning sales of all types of coal made by Coal India Limited and its subsidiaries throughout India using a useful heat value (“UHV”) to determine the grade of coal. Despite repeated, specific questions, Raoping Yucun was unable to provide the Department with the UHV, simply stating that it uses “the cheapest cooking coal which makes a lot of smoke when burned.” When a respondent has been unable to provide the Department with the UHV, the Department has used the highest individual TERI value for that type of coal as the surrogate value. See Polyvinyl Alcohol From the People’s Republic of China: Final Results of Antidumping Duty Administrative Review, 71 FR 27991 (May 15, 2006) and accompanying Issues and Decision Memorandum at Comment 3. Therefore, in calculating the surrogate value for coal for these final results of review, we have used the value from the highest grade available for non-coking steam coal from the TERI data.

Comment 6: Surrogate Value for Calcium Carbonate

Raoping Yucun notes that in the Preliminary Results the Department used WTA to value calcium carbonate, specifically HTS 2836.50.00, “Calcium Carbonate.” Raoping Yucun argues that HTS 2836.50.00 does not differentiate between the concentrations or quality of chemicals, whereas Chemical Weekly’s prices are based upon 100 percent concentration unless specifically noted. Raoping Yucun argues that the Department should value calcium carbonate using Chemical Weekly data.

Department’s Position:

The Department disagrees with Raoping Yucun.

The Department notes that there is no record evidence that HTS 2836.50.00 is not 100% calcium carbonate. The description for HTS 2836.50.00 is “Calcium Carbonate,” which matches the description of the specific input in question.⁵ In addition, as noted above, among the criteria considered by the Department for selecting an appropriate surrogate value is a preference for surrogate values which represent a broad market average. Raoping Yucun has provided Chemical Weekly data for one city in India, whereas WTA is representative of import prices throughout India. Accordingly, we find that Raoping Yucun’s proposed surrogate value for calcium carbonate does not represent a broad market average. Therefore, for these final results, the Department will continue to use HTS 2836.50.00 to value calcium carbonate.

Comment 7: Calculation of Surrogate Financial Ratios

Raoping Yucun notes that in the Preliminary Results the Department used the financial statements of Flex 2003-2004 to calculate surrogate financial ratios. According to Raoping Yucun, the Department should use the Agro Dutch 2004-2005 financial statements to calculate surrogate financial ratios because it is more contemporaneous than the Flex statements.

Raoping Yucun argues that should the Department believe that the Flex financial statements should be used to calculate surrogate financial ratios in these final results, it should be averaged with the Agro Dutch 2003-2004 & 2004-2005, as well as the Premier 2003-2004, financial statements.

Department’s Position:

The Department disagrees with Raoping Yucun.

Section 351.408(c)(4) of the Department’s regulations directs the Department to value the financial ratios with nonproprietary information gathered from producers of identical or comparable merchandise in the surrogate country. Among the surrogate producers of comparable products, the Department prefers to value financial ratios using data from those surrogate producers whose financial data will not be distorted or otherwise unreliable. See Final Results and Partial Rescission of Antidumping Duty Administrative Review: Certain Cased Pencils from the People's Republic of China, 67 FR 48612 (July 25, 2002) and accompanying Issues and Decision Memorandum at Comment 5. In addition, the CIT has held that in the selection of surrogate producers, the Department may consider how closely the surrogate producers

⁵ We note that despite multiple opportunities to do so, Raoping Yucun has not previously raised the possibility that its input may be affected by differing percent concentrations- nor has it done so here. The respondent has the burden to timely establish the factual record it reports to the Department. See Folding Metal Tables and Chairs from the People’s Republic of China; Final Results of Antidumping Duty Administrative Review, 71 FR 2905 (January 18, 2006) and accompany Issues and Decision Memorandum at Comment 4 (citing Tianjin Mach. Import & Export Corp. v. United States, 806 F. Supp. 1008, 1015 (CIT 1992) (The burden of creating an adequate record lies with respondents and not with the Department).

approximate the nonmarket producer's experience. See Rhodia, Inc. v. United States, 240 F. Supp. 2d 1247, 1253-1254 (CIT 2002).

At the outset, we note that the Agro Dutch 2003-2004 and Premier 2003-2004 financial statements are not on the record of this review and, accordingly, cannot be considered for the calculation of surrogate financial ratios.

The Agro Dutch 2004-2005 financial statements are contemporaneous, publicly available, audited financial statements of an Indian producer of subject merchandise. However, Agro Dutch's production experience differs from Raoping Yucun in that Raoping Yucun is a processor of vegetables, including mushrooms, whereas Agro Dutch exclusively produces mushrooms. See Raoping Yucun's October 28, 2005, submission at Exhibit SSA-21. The Flex 2003-2004 financial statements are contemporaneous, publicly available, audited financial statements of an Indian producer of subject merchandise. Flex is a processor of vegetables, including mushrooms, as is Raoping Yucun. See Flex's financial statements at 28. Consequently, we find that Flex's business experience and production process more closely matches that of Raoping Yucun than Agro Dutch. Therefore, for these final results of review, we continue to use the financial statements of Flex 2003-2004 to calculate surrogate financial ratios.

RECOMMENDATION:

Based on our analysis of the comments received, we recommend adopting all of the above changes and positions, and adjusting the margin calculation programs accordingly. If accepted, we will publish the final results of review and the final weighted-average dumping margins in the Federal Register.

AGREE _____ DISAGREE _____

David M. Spooner
Assistant Secretary
for Import Administration

Date _____