



Foreign Agricultural Service

**GAIN Report**

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## Canada

### Tomatoes and Products

### Anti-Dumping Investigation Initiated Against U.S.

### Fresh Tomatoes

### 2001

Approved by:

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**Report Highlights:** On November 9, 2001 the Canada Customs and Revenue Agency initiated an anti-dumping investigation with respect to U.S. fresh tomatoes, excluding tomatoes for processing.

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

Summary: On November 9, 2001 the Canada Customs and Revenue Agency (CCRA) initiated an anti-dumping investigation with respect to U.S. fresh tomatoes, excluding tomatoes for processing. As a result, the Canadian International Trade Tribunal (CITT) will conduct a preliminary inquiry to determine injury and must make its decision within 60 days. The CCRA has 90 days to make a preliminary determination on the extent of the alleged dumping. The investigation will be terminated if either body rules in the negative. Should the CCRA make a preliminary determination of dumping, the Agency must make a final determination within 90 days of the date of the preliminary determination.

### Background

The petitioner of the case, the Canadian Tomato Trade Alliance (CTTA), filed a complaint on behalf of its members on June 28, 2001. The CCRA informed the CTTA on July 19, 2001, that additional information was needed in order for the complaint to be properly documented under Canada's Special Import Measures Act. The CTTA filed the present complaint on September 28, 2001, following several discussions and meetings with the CCRA. Letters of support for the complaint were received from fifty-two Canadian growers. On October 19, 2001, the CCRA informed the CTTA that this complaint was properly documented and notified the government of the United States that a properly documented complaint had been filed.

### Product Information

For the purpose of this investigation, the subject goods are: fresh tomatoes, originating in or exported from the United States of America, excluding tomatoes for processing. The subject goods are typically shipped into Canada in 25 lb boxes.

### Classification of Imports

The subject tomatoes are properly classified under the following Harmonized System classification numbers: 0702.00, Tomatoes, fresh or chilled; 0702.00.99.10, Cherry; 0702.00.99.20, Roma; 0702.00.99.90, Other. There is a free rate of duty for fresh tomatoes imported from the United States.

### Importers

The CCRA has identified, from information provided by the CTTA and from a review of customs entry information, over 230 possible importers of subject goods. The CCRA has limited its examination to 20 importers, whose combined declared value for duty represents more than 70 per cent of the total value of goods imported into Canada in calendar year 2000.

The members of the CTTA supporting the complaint include producers of tomatoes grown in greenhouses in Ontario and British Columbia. In Ontario, the producers are associated with the Ontario Greenhouse Vegetable Growers. In British Columbia, the producers are associated with B.C. Hot House Foods Inc., which is an agency of the British Columbia Vegetable Marketing Commission.

### Allegation of Dumping

The complainant's allegations of dumping are based on a comparison of an estimated normal value for the subject goods, to estimated export prices to Canada. The export prices were for goods sold into Canada during the period March 1998 to August 2000, inclusive. Under Canadian law, dumping occurs when the normal value of the goods exceeds the export price of goods shipped to Canada.

### Estimated Margins of Dumping

In its petition, the CTTA estimates margins of dumping range from 14 per cent to 76 per cent, as a percentage of normal value. Based on the complainant's information, information publicly available and the CCRA's own data on imports, the CCRA believes there is reasonable evidence that the imported goods are dumped and that the volume of imports is not negligible.

### Evidence of Injury

The CTTA has alleged that the subject goods have been dumped and that such dumping has caused injury to the industry. In support of its allegations, the CTTA provided evidence of reduced income resulting from price suppression and lost incentive to expand and upgrade production in a growing market.

### Scope of the Investigation

The CCRA will conduct an investigation to determine whether the subject goods have been dumped. The period of investigation is October 1, 2000, to September 30, 2001, and includes all subject goods shipped to Canada during this period. Information, including sales and costs, will be requested by the CCRA from exporters to determine any margins of dumping. A Request for Information will be sent to the 40 largest exporters, that collectively account for over 70 per cent of the value for duty of subject goods.

### Future Action

The CITT will conduct a preliminary inquiry to determine if there is evidence that discloses a reasonable indication that the dumping has caused or is threatening to cause injury to the Canadian industry. The CITT must make its decision within 60 days after the date of initiation of the investigation. If the CITT concludes that the evidence does not disclose a reasonable indication of injury to the Canadian industry, the investigation will be terminated.

If the CCRA's investigation reveals that imports of the subject goods have not been dumped, that the amount of dumping is insignificant, or that the actual or potential volume of the dumped goods is negligible, the investigation will be terminated.

If the evidence discloses that the goods have been dumped and the CITT finds that there is a reasonable indication that the dumping has caused injury or is threatening to cause injury, the Commissioner will make a preliminary determination of dumping within 90 days from the date

of the initiation of the investigation. Where circumstances warrant, this period may be extended to 135 days. Imports of subject goods released by the CCRA on and after the date of a preliminary determination of dumping may be subject to provisional duty equal to the estimated margin of dumping.

A Statement of Reasons has been provided to persons directly interested in these proceedings. It is also posted on the CCRA Website at:

<http://www.ccra-adrc.gc.ca/customs/business/sima/sor-list-e.html>

**Comment:**

In March 2001, the U.S. greenhouse industry petitioned the U.S. Department of Commerce for anti-dumping duties against Canadian greenhouse tomatoes. Immediately following the United States International Trade Commission (ITC) decision in May 2001 that there was a reasonable indication that the U.S. industry is materially injured by cheap imports of greenhouse tomatoes from Canada, Canadian producers of greenhouse tomatoes in Canada formed the Canadian Tomato Trade Alliance, and petitioned the CCRA in June 2001, for an anti-dumping investigation into U.S. field-grown tomatoes. However, the CCRA waited for the result of a delayed announcement by the U.S. Department of Commerce (DOC) on October 1, 2001 that resulted in a DOC preliminary anti-dumping decision with respect to imports of Canadian greenhouse tomatoes. Only after the preliminary decision by DOC was announced, did the CCRA disclose that the Canadian case against U.S. field tomatoes was properly documented.

**Background Reports by FAS/Ottawa**

<b>Report Number</b>	<b>Title of Report</b>	<b>Date</b>
CA8067	Canadian Greenhouse Tomatoes	10/09/1998
CA8087	Investment in Greenhouse Tomato Production Expands	12/23/1998
CA1023	U.S./Canada Tomato Trade; A Closer Look	02/15/01
CA1029	Greenhouse Tomato Growers Refute U.S. Dumping Allegations	02/28/01

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