



USDA Foreign Agricultural Service

# GAIN Report

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## Canada

### Trade Policy Monitoring

## Provisional Anti-Dumping Duty on U.S. Frozen Pizza 2004

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**Report Highlights:**

Canada has imposed a provisional anti-dumping duty on imports of frozen self-rising pizza from the United States. The Canada Border Services Agency (CBSA) calculated an estimated margin of dumping of 39.4% expressed as a percentage of the export price, but "normal values" will be used to determine the actual duty level. A Statement of Reasons is to be issued within 15 days. The CBSA will continue its investigation regarding dumping and will issue a final determination by August 16, 2004.

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

Summary: On May 17, 2004 the Canada Border Services Agency (CBSA) announced a provisional anti-dumping duty on imports of frozen self-rising pizza (also known as rising crust pizza) imported from the United States. According to the CBSA, imports from the United States during the investigative period were dumped by an average 39.4%, expressed as a percentage of the export price (i.e., price at factory door). The CBSA has assigned "normal values" to U.S. pizza manufacturers' shipments to Canada and informed those manufacturers that they or the importer must pay (or post bond) for an anti-dumping duty equal to the difference between the normal value and the export price. The Statement of Reasons to be issued within 15 days will detail the methodology for calculating the normal values. The CBSA will continue its investigation regarding dumping and will issue a final decision by August 16, 2004.

The anti-dumping action affects the self-rising pizza exports of two U.S. food companies, Kraft Foods Inc., Chicago and Palermo Villa Inc., Milwaukee. The complaint was filed in late 2003 by McCain Foods Ltd. of Florenceville, N.B., one of the world's largest processors of frozen foods and the largest Canadian manufacturer of frozen self-rising pizza. In July 2003, the company announced a C\$29-million expansion of its Grand Falls, N.B., pizza plant, scheduled for completion in May 2004.

#### Background:

On January 2, 2004, the Canada Border Services Agency (CBSA) announced the initiation of an investigation into the alleged injurious dumping of frozen self-rising pizza from the United States.

On March 2, 2004 the Canadian International Trade Tribunal (CITT) made a preliminary ruling that imports of uncooked frozen self-rising pizza from the United States have caused injury or are threatening to cause injury to the domestic industry in Canada. A CITT inquiry is expected to issue a final (injury) ruling by Sept. 14.

The goods are described as prepared uncooked frozen pizza products containing uncooked self-rising dough and cooked and/or uncooked toppings which typically may include processed vegetables and/or meats and/or poultry and/or cheeses and/or a prepared sauce, put up for retail sale. McCain Foods Limited of Florenceville, New Brunswick alleged that imports from the U.S. is harming Canadian production by causing price erosion, price suppression and lost sales. See CA4001 and CA4015 for more background information.

Frozen self-rising pizza is classified under the following Harmonized System classification numbers:

1901.20.13.20  
1901.20.15.20

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