

Preliminary Results of Antidumping Administrative Review (POR1)

July 10, 2024

Dear Valued Customer:

The purpose of this letter is to provide an update on the recent publication of Preliminary Results of the Antidumping Duty Administrative Review by the U.S. Department of Commerce (Commerce).

As part of the US antidumping (AD) efforts, Commerce conducts a review of import prices to determine whether the initial AD rates need to be adjusted. This most recent publication from Commerce represents a ‘peek under the tent’ as to where the antidumping rates might settle after the administrative review is finalized in January 2025 for Period of Review 1 (POR1), which covers the period between November 23, 2021 through May 31, 2023.

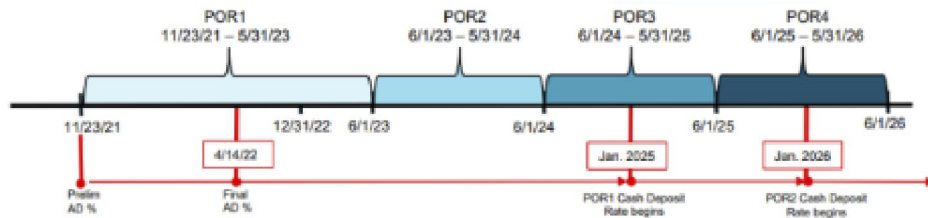


Figure: Anti-dumping rates are finalized ~18 months after the completion of the review period

The below chart represents a high-level summary of the rate changes by origin from the original AD order that was issued in 2022 (individual firms may have differing rates):

Origin – “All Other”	Original Rates (April 2022)	Prelim Admin. Review (July 2024)
Argentina	16.92%	58.34%
Brazil	7.89%	2.31%
India	5.87%	0.59%
Vietnam	60.03%	120.92%

What do these rates mean?

The information provided by Commerce represents a new set of data points compared to the last AD rates issued in April 2022 and offers an indication of the effectiveness of the AD program that covers the honey industry. Although the rates themselves may change in January from what has been reported this month, they will represent the final AD rates for POR1 and will also be used as the go-forward rate on any new imports for the next year.

What is Sweet Harvest doing as a result of this rate publication?

The rates released by Commerce are only preliminary and won’t be finalized until January 2025. Until then, Sweet Harvest will continue to focus on serving our customers and ensuring supply availability despite a complex global market. We do not anticipate significant pricing changes as a result of this interim rate announcement but will address further going into 2025.



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What will happen to honey prices after the rates are finalized in January 2025?

That's hard to tell right now and will likely depend on customer specifications around honey origins. Operating as an importer in an antidumping environment has been likened to driving a car and steering by only looking in the rearview mirror. Honey importers will need some time to digest these rates and evaluate both the (retroactive) financial impact to their business as well as any new risks associated with operating in a variable antidumping environment going forward.

Country-Specific Commentary:

Argentina: There are early indications that Commerce made a mistake in the calculations and the actual rates released in January 2025 will be lower than 58%.

Brazil: The reduction in AD rates to <3% represents a win for Brazil honey suppliers and suggests that Brazilian suppliers can continue to manage price gaps between honey supplied to the US and their home market, suggesting future stability.

India: Like Brazil, the preliminary administrative review rates were favorable to Indian exporters and suggest that they are skilled in managing relevant price gaps. However, it's worth acknowledging that the Minimum Export Price put in place by the Indian government remains in effect through at least December 2024 and adds a bit more complexity to the Indian honey market.

Vietnam: Imports of honey from Vietnam were down 76% in 2023 compared to its peak supply in 2021 prior to the antidumping case, and these anticipated higher rates will likely drive even lower imports from Vietnam in the future.

What's next?

Commerce allows for feedback from interested parties before finalizing rates in January 2025. Early commentary has indicated an error in the Argentina rate, and honey packers are also requesting the selection of a different proxy country for economic comparison for Vietnam.

The full details from Commerce published in the Federal Register are available below:

- Brazil: <https://bit.ly/3xQjcdt>
- Argentina: <https://bit.ly/4bwYrS5>
- India: <https://bit.ly/45UZDgR>
- Vietnam: <https://bit.ly/4bS7ld7>

Please contact your Sweet Harvest Foods sales representative with additional questions or comments and thank you for your continued support.

Sincerely,


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