DEPARTMENT OF COMMERCE

International Trade Administration

[A-351-858, A-791-827]

Lemon Juice from Brazil and South Africa: Initiation of Less-Than-Fair-Value Investigations

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.


FOR FURTHER INFORMATION CONTACT: Dakota Potts (Brazil) or Ariela Garvett (South Africa); AD/CVD Operations, Office IV, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-0223 and (202) 482-3609, respectively.

SUPPLEMENTARY INFORMATION:

The Petitions

On December 30, 2021, the Department of Commerce (Commerce) received antidumping duty (AD) petitions concerning imports of lemon juice from Brazil and South Africa filed in proper form on behalf of Ventura Coastal, LLC (the petitioner), a domestic producer of lemon juice.¹

On January 4 and 11, 2022, Commerce requested supplemental information pertaining to certain aspects of the Petitions in separate supplemental questionnaires. The petitioner filed responses to the supplemental questionnaires on January 6, 10, and 13, 2022.

In accordance with section 732(b) of the Tariff Act of 1930, as amended (the Act), the petitioner alleges that imports of lemon juice from Brazil and South Africa are being, or are likely to be, sold in the United States at less than fair value (LTFV) within the meaning of section 731 of the Act, and that imports of such products are materially injuring, or threatening material injury to, the lemon juice industry in the United States. Consistent with section 732(b)(1) of the Act, the Petitions are accompanied by information reasonably available to the petitioner supporting its allegations.

Commerce finds that the petitioner filed the Petitions on behalf of the domestic industry, because the petitioner is an interested party, as defined in section 771(9)(C) of the Act. Commerce also finds that the petitioner demonstrated sufficient industry support for the initiation of the requested LTFV investigations.

---


4 See infra, section titled “Determination of Industry Support for the Petitions.”
Periods of Investigation

Because the Petitions were filed on December 30, 2021, the period of investigation (POI) for these LTFV investigations is October 1, 2020, through September 30, 2021, pursuant to 19 CFR 351.204(b)(1).  

Scope of the Investigations

The product covered by these investigations is lemon juice from Brazil and South Africa. For a full description of the scope of these investigations, see the appendix to this notice. 

Comments on the Scope of the Investigations

On January 4, 10, and 12, 2022, Commerce requested further information and clarification from the petitioner regarding the proposed scope, to ensure that the scope language in the Petitions is an accurate reflection of the product for which the domestic industry is seeking relief. On January 6, 11, and 13, 2022, the petitioner revised the scope. The description of the merchandise covered by these investigations, as described in the appendix to this notice, reflects these clarifications.

As discussed in the Preamble to Commerce’s regulations, we are setting aside a period for interested parties to raise issues regarding product coverage (i.e., scope). Commerce will consider all comments received from interested parties and, if necessary, will consult with interested parties prior to the issuance of the preliminary determinations. If scope comments include factual information, all such factual information should be limited to public information. To facilitate preparation of its questionnaires, Commerce requests that all interested

---

5 See 19 CFR 351.204(b)(1).
6 See General Issues Questionnaire; see also Memoranda, “Phone Call with Counsel to the Petitioner,” dated January 10, 2022; and “Phone Call with Counsel to the Petitioner” dated January 12, 2022.
7 See General Issues Supplement at Exhibit SI-15; see also Petitioner’s Letter, “Lemon Juice from Brazil and South Africa: Petitioner’s Response to Scope Issues Raised in 1/10/22 Phone Call with Counsel,” dated January 11, 2022 at Exhibit 2SI-15; Second Brazil AD Supplement at 1 and Exhibit 3SI-15; and Second South Africa AD Supplement at 1 and Exhibit 3SI-15.
8 We note that the third paragraph of the scope of these investigations references certain lemon juice that is blended with certain lemon juice from sources not subject to these investigations. While Commerce has adopted this scope language for the purposes of initiation, we invite parties to these proceedings to comment on this scope language. In particular, we invite parties to focus on administrability and circumvention concerns.
9 See Antidumping Duties; Countervailing Duties, Final Rule, 62 FR 27296, 27323 (May 19, 1997) (Preamble).
10 See 19 CFR 351.102(b)(21) (defining “factual information”).
parties submit such comments by 5:00 p.m. Eastern Time (ET) on February 8, 2022, which is 20 calendar days from the signature date of this notice. Any rebuttal comments, which may include factual information, must be filed by 5:00 p.m. ET on February 18, 2022, which is ten calendar days from the initial comment deadline.

Commerce requests that any factual information that parties consider relevant to the scope of these investigations be submitted during this period. However, if a party subsequently finds that additional factual information pertaining to the scope of these investigations may be relevant, the party may contact Commerce and request permission to submit the additional information. All such submissions must be filed on the records of each of the concurrent investigations.

Filing Requirements

All submissions to Commerce must be filed electronically via Enforcement and Compliance’s Antidumping Duty and Countervailing Duty Centralized Electronic Service System (ACCESS), unless an exception applies. An electronically filed document must be received successfully in its entirety by the time and date on which it is due.

Comments on Product Characteristics

Commerce is providing interested parties an opportunity to comment on the appropriate physical characteristics of lemon juice to be reported in response to Commerce’s AD questionnaires. This information will be used to identify the key physical characteristics of the subject merchandise in order to report the relevant costs of production accurately, as well as to develop appropriate product-comparison criteria.

Interested parties may provide any information or comments that they feel are relevant to the development of an accurate list of physical characteristics. Specifically, they may provide

comments as to which characteristics are appropriate to use as: (1) general product characteristics; and (2) product comparison criteria. We note that it is not always appropriate to use all product characteristics as product comparison criteria. We base product comparison criteria on meaningful commercial differences among products. In other words, although there may be some physical product characteristics utilized by manufacturers to describe lemon juice, it may be that only a select few product characteristics take into account commercially meaningful physical characteristics. In addition, interested parties may comment on the order in which the physical characteristics should be used in matching products. Generally, Commerce attempts to list the most important physical characteristics first and the least important characteristics last.

In order to consider the suggestions of interested parties in developing and issuing the AD questionnaires, all product characteristics comments must be filed by 5:00 p.m. ET on February 8, 2022, which is 20 calendar days from the signature date of this notice. Any rebuttal comments must be filed by 5:00 p.m. ET on February 18, 2022, which is ten calendar days from the initial comment deadline. All comments and submissions to Commerce must be filed electronically using ACCESS, as explained above, on the record of each of the LTFV investigations.

**Determination of Industry Support for the Petitions**

Section 732(b)(1) of the Act requires that a petition be filed on behalf of the domestic industry. Section 732(c)(4)(A) of the Act provides that a petition meets this requirement if the domestic producers or workers who support the petition account for: (i) at least 25 percent of the total production of the domestic like product; and (ii) more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the petition. Moreover, section 732(c)(4)(D) of the Act provides that, if the petition does not establish support of domestic producers or workers accounting for more than 50 percent of the total production of the domestic like product, Commerce shall: (i)
poll the industry or rely on other information in order to determine if there is support for the petition, as required by subparagraph (A); or (ii) determine industry support using a statistically valid sampling method to poll the “industry.”

Section 771(4)(A) of the Act defines the “industry” as the producers as a whole of a domestic like product. Thus, to determine whether a petition has the requisite industry support, the statute directs Commerce to look to producers and workers who produce the domestic like product. The International Trade Commission (ITC), which is responsible for determining whether “the domestic industry” has been injured, must also determine what constitutes a domestic like product in order to define the industry. While both Commerce and the ITC must apply the same statutory definition regarding the domestic like product, they do so for different purposes and pursuant to a separate and distinct authority. In addition, Commerce’s determination is subject to limitations of time and information. Although this may result in different definitions of the like product, such differences do not render the decision of either agency contrary to law.

Section 771(10) of the Act defines the domestic like product as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this title.” Thus, the reference point from which the domestic like product analysis begins is “the article subject to an investigation” (i.e., the class or kind of merchandise to be investigated, which normally will be the scope as defined in the petition).

With regard to the domestic like product, the petitioner does not offer a definition of the domestic like product distinct from the scope of the investigations. Based on our analysis of the information submitted on the record, we have determined that lemon juice, as defined in the scope, constitutes a single domestic like product, and we have analyzed industry support in

---

12 See section 771(10) of the Act.
14 See Petitions at Volume I at 22-27 and Exhibits I-4 and I-5.
In determining whether the petitioner has standing under section 732(c)(4)(A) of the Act, we considered the industry support data contained in the Petitions with reference to the domestic like product as defined in the “Scope of the Investigations,” in the appendix to this notice. To establish industry support, the petitioner provided the total volume of lemons that it processed during the most recently completed lemon marketing season (August 1, 2020 - July 31, 2021). The petitioner also provided the total volume of lemons processed in the United States during the 2020-21 lemon marketing season, as reported by the U.S. Department of Agriculture’s National Agricultural Statistics Service (USDA NASS) in its September 2021 Citrus Fruits: 2021 Summary. The petitioner then compared its own volume of lemons processed to the total volume of lemons processed as reported by USDA NASS for the 2020-21 lemon marketing season. We relied on data provided by the petitioner for purposes of measuring industry support.

Our review of the data provided in the Petitions, the General Issues Supplement, and other information readily available to Commerce indicates that the petitioner has established industry support for the Petitions. First, the Petitions established support from domestic producers (or workers) accounting for more than 50 percent of the total production of the domestic like product and, as such, Commerce is not required to take further action in order to evaluate industry support (e.g., polling). Second, the domestic producers (or workers) have met the statutory criteria for industry support under section 732(c)(4)(A)(i) of the Act because the domestic producers (or workers) who support the Petitions account for at least 25 percent of the

---

15 For a discussion of the domestic like product analysis as applied to these cases and information regarding industry support, see Country-Specific AD Checklists, “Antidumping Duty Investigation Initiation Checklists: Lemon Juice from Brazil and South Africa,” dated concurrently with this Federal Register notice and on file electronically via ACCESS (Country-Specific AD Initiation Checklists) at Attachment II, Analysis of Industry Support for the Antidumping Duty Petitions Covering Lemon Juice from Brazil and South Africa (Attachment II).

16 See Petitions at Volume I at 3-4 and Exhibits I-1 and I-3; see also General Issues Supplement at 4-5 and Exhibit SI-1.

17 See Petitions at Volume I at 4 and Exhibit I-2.

18 See Petitions at Volume I at 3-4 and Exhibit I-3; see also General Issues Supplement at 4.

19 See Petitions at Volume I at 3-5 and Exhibits I-1 through I-3; see also General Issues Supplement at 4-5 and Exhibit SI-1.
total production of the domestic like product. Finally, the domestic producers (or workers) have met the statutory criteria for industry support under section 732(c)(4)(A)(ii) of the Act because the domestic producers (or workers) who support the Petitions account for more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the Petitions. Accordingly, Commerce determines that the Petitions were filed on behalf of the domestic industry within the meaning of section 732(b)(1) of the Act.

Allegations and Evidence of Material Injury and Causation

The petitioner alleges that the U.S. industry producing the domestic like product is being materially injured, or is threatened with material injury, by reason of the imports of the subject merchandise sold at LTFV. In addition, the petitioner alleges that subject imports exceed the negligibility threshold provided for under section 771(24)(A) of the Act. 20

The petitioner contends that the industry’s injured condition is illustrated by an absolute and relative increase in the volume of subject imports; increasing market share of subject imports at the expense of the domestic industry; price reductions and decline in the unit value of domestic shipments; decreased profitability; declining sales; decreased capacity utilization; and the magnitude of the alleged dumping margins. 21 We assessed the allegations and supporting evidence regarding material injury, threat of material injury, causation, as well as negligibility, and we have determined that these allegations are properly supported by adequate evidence, and meet the statutory requirements for initiation. 22

Allegations of Sales at LTFV

The following is a description of the allegations of sales at LTFV upon which Commerce based its decision to initiate these LTFV investigations of imports of lemon juice from Brazil and

20 See Petitions at Volume I at 17, 29-30 and Exhibit I-10.
21 See Petitions at Volume I at 17, 28-37, Exhibits I-4, I-5, I-9, I-10, I-12 through I-14; see also General Issues Supplement at 5.
22 See Country-Specific AD Initiation Checklists at Attachment III, Analysis of Allegations and Evidence of Material Injury and Causation for the Antidumping Duty Petitions Covering Lemon Juice from Brazil and South Africa (Attachment III).
South Africa. The sources of data for the deductions and adjustments relating to U.S. price and normal value (NV) are discussed in greater detail in the country-specific AD initiation checklists.

**U.S. Price**

For Brazil and South Africa, the petitioner established U.S. price on the average unit value of publicly available import data. The petitioner deducted expenses associated with inland freight incurred in Brazil and South Africa to calculate an ex-factory, or net, U.S. price.\(^{23}\)

**Normal Value Based on Constructed Value\(^{24}\)**

For Brazil and South Africa, the petitioner stated it was unable to obtain home-market or third-country prices for lemon juice to use as a basis for NV. Therefore, for Brazil and South Africa, the petitioner calculated NV based on constructed value (CV).\(^{25}\)

Pursuant to section 773(e) of the Act, the petitioner calculated CV as the sum of the cost of manufacturing, selling, general, and administrative expenses, financial expenses, and profit.\(^{26}\) For Brazil and South Africa, in calculating the cost of manufacturing, the petitioner relied on its own production experience and input consumption rates, valued using publicly available information applicable to each respective subject country.\(^{27}\) For Brazil and South Africa, in calculating selling, general, and administrative expenses, financial expenses, and profit ratios (where applicable), the petitioner relied on the 2020 financial statements of a producer of lemon juice in Brazil, and the 2020-2021 financial statements of a diversified food and beverage company that produces products incorporating lemon juice in South Africa.\(^{28}\)

---

\(^{23}\) See Country-Specific AD Initiation Checklists.

\(^{24}\) In accordance with section 773(b)(2) of the Act, for these investigations, Commerce will request information necessary to calculate the CV and cost of production (COP) to determine whether there are reasonable grounds to believe or suspect that sales of the foreign like product have been made at prices that represent less than the COP of the product.

\(^{25}\) See Country-Specific AD Initiation Checklists.

\(^{26}\) Id.

\(^{27}\) Id.

\(^{28}\) Id.
Fair Value Comparisons

Based on the data provided by the petitioner, there is reason to believe that imports of lemon juice from Brazil and South Africa are being, or are likely to be, sold in the United States at LTFV. Based on comparisons of U.S. price to CV in accordance with section 773 of the Act, the estimated dumping margins for lemon juice concerning each of the countries covered by this initiation are as follows: (1) Brazil – 222.16 percent; and (2) South Africa – 97.15 percent.29

Initiation of LTFV Investigations

Based upon the examination of the Petitions and supplemental responses, we find that they meet the requirements of section 732 of the Act. Therefore, we are initiating these LTFV investigations to determine whether imports of lemon juice from Brazil and South Africa are being, or are likely to be, sold in the United States at LTFV. In accordance with section 733(b)(1)(A) of the Act and 19 CFR 351.205(b)(1), unless postponed, we will make our preliminary determinations no later than 140 days after the date of this initiation.

Respondent Selection

In the Petitions, the petitioner identified two companies in Brazil and five companies in South Africa as producers and/or exporters of lemon juice.30 With respect to Brazil31 and South Africa, following standard practice in LTFV investigations involving market economy countries, in the event that Commerce determines that the number of exporters or producers in any individual case is large such that Commerce cannot individually examine each company based upon its resources, where appropriate, Commerce intends to select mandatory respondents in that case based on U.S. Customs and Border Protection (CBP) data for U.S. imports under the

29 Id.
30 See Petitions at Volume I at 16 and Exhibit I-8; see also General Issues Supplement at 1.
31 The petitioner states that it relied on its own market knowledge, company data from Descartes Datamyne, and internet research to identify producers and/or exporters of lemon juice in Brazil. See Petitions at Volume I at 16 n.39. The Petitions do not include supporting information from independent, third-party sources to support the petitioner’s identification of the two Brazilian companies as the only known producers and/or exporters of lemon juice in Brazil. Accordingly, we intend to use CBP data to select mandatory respondents in the Brazil investigation.
appropriate Harmonized Tariff Schedule of the United States subheadings listed in the “Scope of the Investigations,” in the appendix.

On January 11 and 12, 2022, Commerce released CBP data on imports of lemon juice from South Africa and Brazil, respectively, under administrative protective order (APO) to all parties with access to information protected by APO and indicated that interested parties wishing to comment on the CBP data must do so within three business days after the publication date of the notice of initiation of these investigations. Commerce will not accept rebuttal comments regarding the CBP data or respondent selection.

Comments on CBP data and respondent selection must be filed electronically using ACCESS. An electronically filed document must be received successfully in its entirety via ACCESS by 5:00 p.m. ET on the specified deadline. Interested parties must submit applications for disclosure under APO in accordance with 19 CFR 351.305(b). Instructions for filing such applications may be found on Commerce’s website at https://enforcement.trade.gov/apo.

**Distribution of Copies of the Petitions**

In accordance with section 732(b)(3)(A) of the Act and 19 CFR 351.202(f), copies of the public version of the Petitions have been provided to the governments of Brazil and South Africa via ACCESS. To the extent practicable, we will attempt to provide a copy of the public version of the Petitions to each exporter named in the Petitions, as provided under 19 CFR 351.203(c)(2).

**ITC Notification**

We will notify the ITC of our initiation, as required by section 732(d) of the Act.

**Preliminary Determinations by the ITC**

The ITC will preliminarily determine, within 45 days after the date on which the Petitions were filed, whether there is a reasonable indication that imports of lemon juice from Brazil

---

and/or South Africa are materially injuring, or threatening material injury to, a U.S. industry. A negative ITC determination for any country will result in the investigation being terminated with respect to that country. Otherwise, these LTFV investigations will proceed according to statutory and regulatory time limits.

Submission of Factual Information

Factual information is defined in 19 CFR 351.102(b)(21) as: (i) evidence submitted in response to questionnaires; (ii) evidence submitted in support of allegations; (iii) publicly available information to value factors under 19 CFR 351.408(c) or to measure the adequacy of remuneration under 19 CFR 351.511(a)(2); (iv) evidence placed on the record by Commerce; and (v) evidence other than factual information described in (i)–(iv). Section 351.301(b) of Commerce’s regulations requires any party, when submitting factual information, to specify under which subsection of 19 CFR 351.102(b)(21) the information is being submitted and, if the information is submitted to rebut, clarify, or correct factual information already on the record, to provide an explanation identifying the information already on the record that the factual information seeks to rebut, clarify, or correct. Time limits for the submission of factual information are addressed in 19 CFR 351.301, which provides specific time limits based on the type of factual information being submitted. Interested parties should review the regulations prior to submitting factual information in these investigations.

Particular Market Situation Allegation

Section 773(e) of the Act addresses the concept of particular market situation (PMS) for purposes of CV, stating that “if a particular market situation exists such that the cost of materials and fabrication or other processing of any kind does not accurately reflect the cost of production in the ordinary course of trade, the administering authority may use another calculation

---

33 See section 733(a) of the Act.
34 Id.
35 See 19 CFR 351.301(b).
36 See 19 CFR 351.301(b)(2).
methodology under this subtitle or any other calculation methodology.” When an interested party submits a PMS allegation pursuant to section 773(e) of the Act, Commerce will respond to such a submission consistent with 19 CFR 351.301(c)(2)(v). If Commerce finds that a PMS exists under section 773(e) of the Act, then it will modify its dumping calculations appropriately.

Neither section 773(e) of the Act, nor 19 CFR 351.301(c)(2)(v), set a deadline for the submission of PMS allegations and supporting factual information. However, in order to administer section 773(e) of the Act, Commerce must receive PMS allegations and supporting factual information with enough time to consider the submission. Thus, should an interested party wish to submit a PMS allegation and supporting new factual information pursuant to section 773(e) of the Act, it must do so no later than 20 days after submission of a respondent’s initial section D questionnaire response.

Extensions of Time Limits

Parties may request an extension of time limits before the expiration of a time limit established under 19 CFR 351.301, or as otherwise specified by Commerce. In general, an extension request will be considered untimely if it is filed after the expiration of the time limit established under 19 CFR 351.301. For submissions that are due from multiple parties simultaneously, an extension request will be considered untimely if it is filed after 10:00 a.m. ET on the due date. Under certain circumstances, we may elect to specify a different time limit by which extension requests will be considered untimely for submissions which are due from multiple parties simultaneously. In such a case, we will inform parties in a letter or memorandum of the deadline (including a specified time) by which extension requests must be filed to be considered timely. An extension request must be made in a separate, stand-alone submission; under limited circumstances we will grant untimely-filed requests for the extension
of time limits. Parties should review Commerce’s regulations concerning factual information prior to submitting factual information in these investigations.\footnote{See 19 CFR 351.301; see also Extension of Time Limits; Final Rule, 78 FR 57790 (September 20, 2013), available at \url{https://www.gpo.gov/fdsys/pkg/FR-2013-09-20/html/2013-22853.htm}.}

**Certification Requirements**

Any party submitting factual information in an AD or countervailing duty (CVD) proceeding must certify to the accuracy and completeness of that information.\footnote{See section 782(b) of the Act.} Parties must use the certification formats provided in 19 CFR 351.303(g).\footnote{See Certification of Factual Information to Import Administration During Antidumping and Countervailing Duty Proceedings, 78 FR 42678 (July 17, 2013) (Final Rule). Answers to frequently asked questions regarding the Final Rule are available at \url{https://enforcement.trade.gov/tei/notices/factual_info_final_rule_FAQ_07172013.pdf}.} Commerce intends to reject factual submissions if the submitting party does not comply with the applicable certification requirements.

**Notification to Interested Parties**

Interested parties must submit applications for disclosure under APO in accordance with 19 CFR 351.305. Parties wishing to participate in these investigations should ensure that they meet the requirements of 19 CFR 351.103(d) (e.g., by the filing a letter of appearance as discussed). Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information, until further notice.\footnote{See Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period, 85 FR 41363 (July 10, 2020).}

This notice is issued and published pursuant to sections 732(c)(2) and 777(i) of the Act, and 19 CFR 351.203(c).


Lisa W. Wang,
Assistant Secretary
for Enforcement and Compliance.
Appendix

Scope of the Investigations

The product covered by these investigations is certain lemon juice. Lemon juice is covered: (1) with or without addition of preservatives, sugar, or other sweeteners; (2) regardless of the GPL (grams per liter of citric acid) level of concentration, brix level, brix/acid ratio, pulp content, clarity; (3) regardless of the grade, horticulture method (e.g., organic or not), processed form (e.g., frozen or not-from-concentrate), the size of the container in which packed, or the method of packing; and (4) regardless of the U.S. Department of Agriculture Food and Drug Administration (FDA) standard of identity (as defined under 19 CFR 146.114 et seq.) (i.e., whether or not the lemon juice meets an FDA standard of identity).

Excluded from the scope are: (1) lemon juice at any level of concentration packed in retail-sized containers ready for sale to consumers; and (2) beverage products, such as lemonade, that contain 20 percent or less lemon juice as an ingredient by actual volume. “Retail-sized containers” are defined as lemon juice products sold in ready-for-sale packaging (e.g., clearly visible branding, nutritional facts listed, etc.) containing up to 128 ounces of lemon juice by actual volume.

The scope also includes certain lemon juice that is blended with certain lemon juice from sources not subject to these investigations. Only the subject lemon juice component of such blended merchandise is covered by the scope of these investigations. Blended lemon juice is defined as certain lemon juice with two distinct component parts of differing country(s) of origin mixed together to form certain lemon juice where the component parts are no longer individually distinguishable.

The product subject to these investigations is currently classifiable under subheadings 2009.31.4000, 2009.31.6020, 2009.31.6040, 2009.39.6020, and 2009.39.6040 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of these investigations is dispositive.

[FR Doc. 2022-01411 Filed: 1/24/2022 8:45 am; Publication Date: 1/25/2022]