



DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-161]

2,4-Dichlorophenoxyacetic Acid from the People's Republic of China: Final Affirmative Countervailing Duty Determination

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

SUMMARY: The U.S. Department of Commerce (Commerce) determines that countervailable subsidies are being provided to producers and exporters of 2,4-dichlorophenoxyacetic acid (2,4-D) from the People's Republic of China (China). The period of investigation (POI) is January 1, 2023, through December 31, 2023.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Claudia Cott or Thomas Schauer, AD/CVD Operations, Office I, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4270 or (202) 482-0410, respectively.

SUPPLEMENTARY INFORMATION:

Background

On September 13, 2024, Commerce published the *Preliminary Determination* in the *Federal Register* and aligned this countervailing duty (CVD) final determination with the final determination in the less-than-fair value investigation of 2,4-D from China, in accordance with section 705(a)(1) of the Tariff Act of 1930, as amended (the Act) and 19 CFR 351.210(b)(4).¹

¹ See *2,4-Dichlorophenoxyacetic Acid from the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination With Final Antidumping Duty*

For a summary of the events that occurred since the *Preliminary Determination*, see the Issues and Decision Memorandum.² The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance’s Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

Scope of the Investigation

The product covered by this investigation is 2,4-D from China. For a complete description of the scope of this investigation, see Appendix I.

Scope Comments

We received no comments from interested parties on the scope of the investigation as it appeared in the *Preliminary Determination*. Therefore, we made no changes to the scope of the investigation from that published in the *Preliminary Determination* for the final determination.

Analysis of Subsidy Programs and Comments Received

The subsidy programs under investigation and the issues raised in the case and rebuttal briefs filed by the parties in this investigation are discussed in the Issues and Decision Memorandum. For a list of the issues raised by interested parties and addressed in the Issues and Decision Memorandum, see Appendix II.

Verification

As provided in section 782(i) of the Act, Commerce conducted verification of the subsidy information reported by company respondents Jiangxi Tianyu Chemical Co., Ltd. (Tianyu) and Shandong Rainbow Agrosiences Co., Ltd. (Rainbow Agrosiences), and of the Government of

Determination, 89 FR 74906 (September 13, 2024) (*Preliminary Determination*), and accompanying Preliminary Decision Memorandum (PDM).

² See Memorandum, “Issues and Decision Memorandum for the Final Affirmative Determination of the Countervailing Duty Investigation of 2,4-Dichlorophenoxyacetic Acid from the People’s Republic of China,” dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

China's questionnaire responses pertaining to the Export Buyer Credit Program.³

Methodology

Commerce conducted this investigation in accordance with section 701 of the Act. For each of the subsidy programs found to be countervailable, Commerce determines that there is a subsidy, *i.e.*, a financial contribution by an "authority" that gives rise to a benefit to the recipient, and that the subsidy is specific.⁴ For a full description of the methodology underlying our final determination, *see* the Issues and Decision Memorandum.

In making this final determination, Commerce relied, in part, on facts otherwise available, including with an adverse inference, pursuant to sections 776(a) and (b) of the Act. For a full discussion of our application of adverse facts available (AFA), *see* the *Preliminary Determination*⁵ and the Issues and Decision Memorandum at Comments 1, 5, 6, and 7.

Changes Since the Preliminary Determination

Based on our review and analysis of the information received during verification and comments received from parties, we made certain changes to the subsidy rate calculations for Rainbow Agrosiences and Tianyu for the final determination. For a discussion of these changes, *see* the Issues and Decision Memorandum.

All-Others Rate

Pursuant to section 705(c)(5)(A)(i) of the Act, Commerce will determine an all-others rate equal to the weighted-average countervailable subsidy rates established for exporters and/or producers individually investigated, excluding any zero and *de minimis* countervailable subsidy rates, and any rates determined entirely under section 776 of the Act. As discussed in the Issues and Decision Memorandum, for the final determination we assigned a rate based entirely on

³ *See* Memoranda, "Verification of the Questionnaire Responses of Jiangxi Tianyu Chemical Co., Ltd.," dated November 7, 2024; "Verification of the Questionnaire Responses of Shandong Weifang Rainbow Chemical Co., Ltd.," dated November 7, 2024; and "Verification of the Questionnaire Responses of the Government of China," dated November 22, 2024.

⁴ *See* sections 771(5)(B) and (D) of the Act regarding financial contribution; *see also* section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

⁵ *See Preliminary Determination PDM* at 5-19.

AFA to Rainbow Agrosiences. Therefore, the only rate that is not zero, *de minimis*, or based entirely on facts otherwise available is the rate calculated for Tianyu. Consequently, Commerce assigned the rate calculated for Tianyu as the rate for all other producers and exporters, pursuant to section 705(c)(5)(A)(i) of the Act.

Final Determination

Commerce determines that the following estimated countervailable subsidy rates exist for the period January 1, 2023, through December 31, 2023:

Company	Subsidy Rate (percent <i>ad valorem</i>)
Jiangxi Tianyu Chemical Co., Ltd. ⁶	26.50
Shandong Rainbow Agrosiences Co., Ltd. ⁷	169.63*
All Others	26.50

* Rate based on facts available with adverse inferences.

Disclosure

Commerce intends to disclose the calculations performed in this final determination within five days of its public announcement or, if there is no public announcement, within five days of the date of publication of this notice in the *Federal Register*, in accordance with 19 CFR 351.224(b).

Continuation of Suspension of Liquidation

As a result of our *Preliminary Determination*, and pursuant to sections 703(d)(1)(B) and (d)(2) of the Act, we instructed U.S. Customs and Border Protection (CBP) to collect cash deposits and suspend liquidation of entries of 2,4-D from China that were entered, or withdrawn from warehouse, for consumption, on or after September 13, 2024, the date of the publication of the *Preliminary Determination* in the *Federal Register*.⁸ In accordance with section 703(d) of the Act, we instructed CBP to discontinue the suspension of liquidation of all entries of 2,4-D

⁶ Commerce continues to find Tianyu to be cross-owned with the following companies: Thai Harvest Ltd., CAC Nantong Chemical Co., Ltd., and CAC Shanghai International Trading Co., Ltd.

⁷ Commerce continues to find Rainbow Agrosiences to be cross-owned with the following companies: Shandong Weifang Rainbow Chemical Co., Ltd., Ningxia Rainbow Chemical Co., Ltd., Shandong Rainbow Investment Co., Ltd., and Shandong Runnong Investment Co., Ltd.

⁸ See *Preliminary Determination*, 89 FR at 74907.

entered or withdrawn from warehouse, on or after January 11, 2025, the final day of provisional measures, but to continue the suspension of liquidation of all entries of 2,4-D on or before January 10, 2025.

If the U.S. International Trade Commission (ITC) issues a final affirmative injury determination, we will issue a CVD order, reinstate the suspension of liquidation under section 706(a) of the Act, and require a cash deposit of estimated countervailing duties for entries of 2,4-D in the amounts indicated above. If the ITC determines that material injury, or threat of material injury, does not exist, this proceeding will be terminated, and all estimated duties deposited or securities posted as a result of the suspension of liquidation will be refunded or canceled.

U.S. International Trade Commission Notification

In accordance with section 705(d) of the Act, we will notify the ITC of our final affirmative determination that countervailable subsidies are being provided to producers and exporters of 2,4-D from China. Because the final determination is affirmative, in accordance with section 705(b) of the Act, the ITC will make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports of 2,4-D from China no later than 45 days after our final determination. In addition, we are making available to the ITC all non-privileged and non-proprietary information related to this investigation. We will allow the ITC access to all privileged and business proprietary information in our files, provided that the ITC confirms that it will not disclose such information, either publicly or under an administrative protective order (APO), without the written consent of the Assistant Secretary for Enforcement and Compliance.

If the ITC determines that material injury or threat of material injury does not exist, this proceeding will be terminated and all cash deposits will be refunded. If the ITC determines that such injury does exist, Commerce will issue a CVD order directing CBP to assess, upon further instruction by Commerce, countervailing duties on all imports of 2,4-D that are entered, or

withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation, as discussed above in the “Continuation of Suspension of Liquidation” section.

Administrative Protective Order

In the event that the ITC issues a final negative injury determination, this notice will serve as the only reminder to parties subject to an APO of their responsibility concerning the destruction of proprietary information disclosed under APO, in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

Notification to Interested Parties

This determination is issued and published in accordance with sections 705(d) and 777(i) of the Act, and 19 CFR 351.210(c).

Dated: March 31, 2025.

Christopher Abbott,
*Deputy Assistant Secretary
for Policy and Negotiations,
performing the non-exclusive functions and duties
of the Assistant Secretary for Enforcement and Compliance.*

Appendix I

Scope of the Investigation

The merchandise covered by this investigation is 2,4-dichlorophenoxyacetic acid (2,4-D) and its derivative products, including salt and ester forms of 2,4-D. 2,4-D has the Chemical Abstracts Service (CAS) registry number of 94-75-7 and the chemical formula $C_8H_6Cl_2O_3$.

Salt and ester forms of 2,4-D include 2,4-D sodium salt (CAS 2702-72-9), 2,4-D diethanolamine salt (CAS 5742-19-8), 2,4-D dimethyl amine salt (CAS 2008-39-1), 2,4-D isopropylamine salt (CAS 5742-17-6), 2,4-D tri-isopropanolamine salt (CAS 3234180-3), 2,4-D choline salt (CAS 1048373-72-3), 2,4-D butoxyethyl ester (CAS 1929-733), 2,4-D 2-ethylhexylester (CAS 1928-43-4), and 2,4-D isopropylester (CAS 94-11-1). All 2,4-D, as well as the salt and ester forms of 2,4-D, is covered by the scope irrespective of purity, particle size, or physical form.

The conversion of a 2,4-D salt or ester from 2,4-D acid, or the formulation of nonsubject merchandise with the subject 2,4-D, its salts, and its esters in the country of manufacture or in a third country does not remove the subject 2,4-D, its salts, or its esters from the scope. For any such formulations, only the 2,4-D, 2,4-D salt, and 2,4-D ester components of the mixture is covered by the scope of the investigation. Formulations of 2,4-D are products that are registered for end-use applications with the Environmental Protection Agency and contain a dispersion agent.

The country of origin of any 2,4-D derivative salt or ester is determined by the country in which the underlying 2,4-D acid is produced. 2,4-D, its salts, and its esters are classified under Harmonized Tariff Schedule of the United States (HTSUS) subheading 2918.99.2010. Subject merchandise, including the abovementioned formulations, may also be classified under HTSUS subheadings 2922.12.0001, 2921.11.0000, 2921.19.6195, 2922.19.9690, 3808.93.0500, and 3808.93.1500. The HTSUS subheadings and CAS registry numbers are provided for convenience and customs purposes. The written description of the scope of the investigation is dispositive.

Appendix II

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Changes from the *Preliminary Determination*
- IV. Subsidies Valuation
- V. Interest Rates and Benchmarks
- VI. Analysis of Programs
- VII. Discussion of the Issues
 - Comment 1: Whether Commerce Should Apply Total Adverse Facts Available (AFA) to Rainbow Agrosiences
 - Comment 2: Whether Commerce Should Adjust the Benchmarks for Inputs
 - Comment 3: Whether to Attribute the Provision of Inputs Only to Sales of 2,4-D
 - Comment 4: Whether to Find the Respondents Used the Export Buyer's Credit Program (EBCP)
 - Comment 5: Whether to Adjust Tianyu's Subsidy Rate for a Subsidy Found at Verification
 - Comment 6: Whether the Provision of Electricity is Specific
 - Comment 7: Whether Individually Owned Input Suppliers are Authorities
 - Comment 8: Whether to Make an Entered Value Adjustment for Tianyu
- VIII. Recommendation

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