



## FACT SHEET

### Commerce Preliminarily Finds Dumping of Imports of Biodiesel from Argentina and Indonesia

- On October 23, 2017, the Department of Commerce (Commerce) announced its affirmative preliminary determinations in the antidumping duty (AD) investigations of imports of biodiesel from Argentina and Indonesia.
- The AD law provides U.S. businesses and workers with a transparent, quasi-judicial, and internationally accepted mechanism to seek relief from the market-distorting effects caused by injurious dumping of imports into the United States, establishing an opportunity to compete on a level playing field.
- For the purpose of AD investigations, dumping occurs when a foreign company sells a product in the United States at less than its fair value.
- In the Argentina AD investigation, Commerce calculated preliminary dumping rates of 54.36 percent for LDC Argentina S.A. and 70.05 percent for Vicentin S.A.I.C., Renova S.A., Oleaginosa Moreno Hermanos S.A., Molinos Agro S.A., Patagonia Energia S.A., VFG Inversiones y Actividades Especiales S.A., Vicentin S.A.I.C. Sucursal Uy, Trading Company X, and Molinos Overseas Commodities S.A. Commerce determined a rate of 63.00 percent for all other producers and exporters of biodiesel from Argentina.
- In the Indonesia AD investigation, Commerce calculated a preliminary dumping rate of 50.71 percent for mandatory respondent Wilmar Trading PTE Ltd. The preliminary dumping rate for PT Musim Mas was determined on the basis of adverse facts available due to its failure to provide certain information as requested by Commerce. As a result, Commerce preliminarily assigned PT Musim Mas a dumping rate of 50.71 percent which is the the highest rate on the record of the investigation. This rate also applies to all other producers/exporters of biodiesel from Indonesia.
- The Department found that a particular market situation existed with respect to the respondents' home market sales in Argentina and Indonesia. In addition, the Department found a particular market situation existed with respect to the respondents' reported costs of soybeans and crude palm oil used in the production of biodiesel in Argentina and Indonesia, respectively.
- As a result of the preliminary affirmative determinations, Commerce will instruct U.S. Customs and Border Protection (CBP) to require cash deposits based on these preliminary rates.
- The petitioner is the National Biodiesel Board Fair Trade Coalition, an *ad hoc* association composed of the National Biodiesel Board and 15 domestic producers of biodiesel.
- The merchandise covered by these investigations is biodiesel, which is a fuel comprised of mono-alkyl esters of long chain fatty acids derived from vegetable oils or animal fats, including biologically-based waste oils or greases, and other biologically-based oil or fat sources. The investigations cover biodiesel in pure form (B100) as well as fuel mixtures containing blends above B30 and including 99 percent biodiesel by volume (B99). For fuel mixtures containing above 30 percent and including 99

percent biodiesel by volume, only the biodiesel component of the mixture is covered by the scope of the investigations.

- Biodiesel is generally produced to American Society for Testing and Materials International (ASTM) D6751 specifications, but it can also be made to other specifications. Biodiesel commonly has one of the following Chemical Abstracts Service (CAS) numbers, generally depending upon the feedstock used: 67784-80-9 (soybean oil methyl esters); 91051-34-2 (palm oil methyl esters); 91051-32-0 (palm kernel oil methyl esters); 73891-99-3 (rapeseed oil methyl esters); 61788-61-2 (tallow methyl esters); 68990-52-3 (vegetable oil methyl esters); 129828-16-6 (canola oil methyl esters); 67762-26-9 (unsaturated alkylcarboxylic acid methyl ester); or 68937-84-8 (fatty acids, C12-C18, methyl ester).

The B100 product subject to the investigation is currently classifiable under subheading 3826.00.1000 of the Harmonized Tariff Schedule of the United States (HTSUS), while the blends above B30 through B99 product is currently classifiable under HTSUS subheading 3826.00.3000. Although the HTSUS subheadings, ASTM specifications, and CAS numbers are provided for convenience and customs purposes, the written description of the scope is dispositive.

- In 2016, imports of biodiesel from Argentina and Indonesia were valued at an estimated \$1.2 billion and \$268 million, respectively.

#### **NEXT STEPS**

- Commerce is scheduled to announce its final determinations on or about January 3, 2018, unless the statutory deadline is extended.
- If Commerce makes affirmative final determinations and the U.S. International Trade Commission (ITC) makes affirmative final determinations that imports of biodiesel from Argentina and/or Indonesia materially injure, or threaten material injury to, the domestic industry in the United States, Commerce will issue AD orders. If either the Commerce or the ITC final determinations are negative, no AD orders will be issued. The ITC is scheduled to make its final injury determinations approximately 45 days after Commerce issues its final determinations, if affirmative.

## PRELIMINARY DUMPING RATES

COUNTRY	EXPORTER/PRODUCER	DUMPING RATES
Argentina	LDC Argentina S.A.	54.36%
	Vicentin S.A.I.C., Renova S.A., Oleaginoso Moreno Hermanos S.A., Molinos Agro S.A., Patagonia Energia S.A., VFG Inversiones y Actividades Especiales S.A., Vicentin S.A.I.C. Sucursal Uy, Trading Company X, and Molinos Overseas Commodities S.A.	70.05%
	All Others	63.00%
Indonesia	Wilmar Trading PTE Ltd.	50.71%
	P.T. Musim Mas	50.71%
	All Others	50.71%

## CASE CALENDAR

EVENT	AD INVESTIGATIONS
Petitions Filed	March 23, 2017
DOC Initiation Date	April 12, 2017
ITC Preliminary Determinations	May 8, 2017†
DOC Preliminary Determinations	October 19, 2017
DOC Final Determinations	January 2, 2018
ITC Final Determinations*	February 16, 2018
Issuance of Orders**	February 19, 2018

NOTE: Commerce preliminary and final determination deadlines are governed by statute. For CVD investigations, the deadlines are set forth in sections 703(b) and 705(a)(1) of the Tariff Act of 1930, as amended (the Act). For AD investigations, the deadlines are set forth in sections 733(b) and 735(a) of the Act. These deadlines may be extended under certain circumstances.

†Where the deadline falls on a weekend/holiday, the appropriate date is the next business day.

\*This will take place only in the event of final affirmative determinations from Commerce.

\*\*This will take place only in the event of final affirmative determinations from Commerce and the ITC.

## IMPORT STATISTICS

<b>ARGENTINA</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Volume (metric tons)	156,497	659,661	1,475,038
Value (USD)	136,035,141	470,305,187	1,199,817,824
<b>INDONESIA</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Volume (metric tons)	170,962	236,832	370,969
Value (USD)	137,755,886	153,832,503	268,213,562

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 3826.00.1000 and 3826.00.3000)