



FACT SHEET

Commerce Preliminarily Finds Subsidization of Citric Acid and Certain Citrate Salts from the People's Republic of China

- On September 15, the Department of Commerce (Commerce) announced its affirmative preliminary determination in the countervailing duty (CVD) investigation of imports of citric acid and certain citrate salts from the People's Republic of China (China). Citric acid and citrate salts are used in various food and beverage products including carbonated and non-carbonated drinks, and frozen foods, as well as laundry detergents and household cleaning products.
- Subsidies are financial assistance from foreign governments that benefit the production, manufacture, or exportation of goods.
- Commerce preliminarily determined that Chinese producers/exporters have received net countervailable subsidies ranging from 1.41 to 97.72 percent.
- Participating mandatory respondents, TTCA Co., Ltd., and Yixing Union Biochemical Co., Ltd., received preliminary net subsidy rates of 1.41 and 3.92 percent, respectively. The other mandatory respondent, Anhui BBKA Biochemical Co., Ltd., failed to participate in the investigation and received a rate of 97.72 based on adverse facts available. All other Chinese producers/exporters of citric acid and citrate salts received a preliminary rate of 2.67 percent.
- As a result of this preliminary determination, Commerce will instruct U.S. Customs and Border Protection to suspend liquidation of entries of subject merchandise and to collect a cash deposit or bond based on these preliminary rates.
- The petitioners for these investigations are Archer Daniels Midland Company (IL); Cargill, Incorporated (MN); and Tate & Lyle Americas, Inc. (IL).
- The scope of this investigation includes all grades and granulation sizes of citric acid, sodium citrate, and potassium citrate in their unblended forms, whether dry or in solution, and regardless of packaging type. The scope also includes blends of citric acid, sodium citrate, and potassium citrate; as well as blends with other ingredients, such as sugar, where the unblended form(s) of citric acid, sodium citrate, and potassium citrate constitute 40 percent or more, by weight, of the blend. Also included are all forms of crude calcium citrate, including dicalcium citrate monohydrate, and tricalcium citrate tetrahydrate, which are intermediate products in the production of citric acid, sodium citrate, and potassium citrate. The scope does not include calcium citrate that satisfies the standards set forth in the United States Pharmacopeia and has been mixed with a functional excipient, such as dextrose or starch, where the excipient constitutes at least 2 percent, by weight, of the product. The scope includes the hydrous and anhydrous forms of citric acid, the dihydrate and anhydrous forms of sodium citrate, otherwise known as citric acid sodium salt, and the monohydrate and monopotassium forms of potassium citrate. Sodium citrate also includes both trisodium citrate and monosodium citrate, which are also known as citric acid trisodium salt and citric acid monosodium salt, respectively.

- Citric acid and sodium citrate are classifiable under 2918.14.0000 and 2918.15.1000 of the Harmonized Tariff Schedule of the United States (HTSUS), respectively. Potassium citrate and crude calcium citrate are classifiable under HTSUS 2918.15.5000 and 3824.90.9290, respectively. Blends that include citric acid, sodium citrate, and potassium citrate are classifiable under HTSUS 3824.90.9290. While the HTSUS subheadings are provided for convenience and customs purposes, Commerce's written description of the merchandise is final and conclusive.

NEXT STEPS

- Commerce is currently scheduled to make its final determination in January 2009.
- If Commerce makes a final determination that Chinese producers/exporters have received countervailable subsidies in this investigation, and the U.S. International Trade Commission makes a final affirmative determination that imports from China materially injure, or threaten material injury to, the domestic industry, Commerce will issue a countervailing duty order.

PRELIMINARY NET SUBSIDY RATES:

PRODUCER/EXPORTER	SUBSIDY RATE
TTCA Co., Ltd.	1.41%
Yixing Union Biochemical Co., Ltd.	3.92%
Anhui BBKA Biochemical Co., Ltd.	97.72%
All Others	2.67%

CASE CALENDAR:

EVENT	DATE
Petition Filed	April 14, 2008
DOC Initiation Date	May 5, 2008
ITC Preliminary Determination	May 29, 2008
DOC Preliminary Determination	September 12, 2008
DOC Final Determination*	January 28, 2009
ITC Final Determination**	March 16, 2009
Issuance of Orders***	March 23, 2009

* This deadline may be extended under the governing statute.

** This will take place only in the event of a final affirmative determination by Commerce.

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IMPORT STATISTICS:

CHINA	2005	2006	2007
Volume (lbs)	128,559,640	158,908,054	180,109,954
Value (\$US)	46,404,525	52,659,196	63,477,929

Source: U.S. International Trade Commission, Dataweb (HTSUS 2918.14.0000, 2918.15.1000 and 2918.15.5000).