

product where were sales made in the ordinary course of trade.

### Product Comparisons

In accordance with section 771(16) of the Act, we considered all products produced by Etira and KKB, covered by the description in the "Scope of the Order" section, above, and sold by the respondents in the home market during the POR, to be foreign like products for purposes of determining appropriate product comparisons to U.S. sales. We compared U.S. sales to sales made in the home market within the contemporaneous window period, which extends from three months prior to the first U.S. sale until two months after the last sale in the POR. Where there were no sales of identical merchandise in the home market made in the ordinary course of trade to compare to U.S. sales, we compared U.S. sales to sales of the most similar foreign like product made in the ordinary course of trade.

In making the product comparisons, we matched foreign like products based on the physical characteristics reported by the respondents in the following order: Preservation method, container type, mushroom style, weight, grade, container solution and label type. See "Normal Value" section below for further discussion.

### Export Price

For both respondents, we used the export price calculation methodology, in accordance with section 772(a) of the Act, because the subject merchandise was sold directly by the producer/exporter in Indonesia to the first unaffiliated purchaser in the United States prior to importation and constructed export price ("CEP") treatment was not otherwise indicated.

We calculated export price based on the packed FOB seaport prices charged to the first unaffiliated customer in the United States. We made deductions, where appropriate, for foreign inland freight and brokerage and handling, in accordance with section 772(c)(2)(A) of the Act.

### Normal Value

In order to determine whether there was a sufficient volume of sales in the home market to serve as a viable basis for calculating NV, we compared each respondent's volume of home market sales of the foreign like product to the volume of its U.S. sales of the subject merchandise, in accordance with section 773(a)(1) of the Act.

Etira's and KKB's aggregate volumes of home market sales of the foreign like product were greater than five percent

of their respective aggregate volumes of U.S. sales of the subject merchandise. Therefore, we determined that the home market provides a viable basis for calculating NV for both companies, in accordance with section 773(a)(1)(B)(ii)(II) of the Act.

### Level of Trade

Section 773(a)(1)(B)(i) of the Act states that, to the extent practicable, the Department will calculate NV based on sales at the same level of trade (LOT) as the export price or CEP. Sales are made at different LOTs if they are made at different marketing stages (or their equivalent). See 19 CFR 351.412(c)(2). Substantial differences in selling activities are a necessary, but not sufficient, condition for determining that there is a difference in the stages of marketing. *Id.*; see also, *Notice of Final Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon Steel Plate From South Africa*, 62 FR 61731, 61732 (November 19, 1997) (*Cut-to-Length Plate from South Africa*). In order to determine whether the comparison sales were at different stages in the marketing process than the U.S. sales, we reviewed the distribution system in each market (*i.e.*, the "chain of distribution"), including selling functions, class of customer ("customer category"), and the level of selling expenses incurred for each type of sale.

Pursuant to section 773(a)(1)(B)(i) of the Act, in identifying levels of trade for export price and comparison market sales (*i.e.*, NV based on either home market or third country prices<sup>3</sup>), we consider the starting prices before any adjustments. For CEP sales, we consider only the selling activities reflected in the price after the deduction of expenses and profit under section 772(d) of the Act. See *Micron Technology, Inc. v. United States*, 243 F.3d 1301, 1314–1315 (Fed. Cir. 2001).

When the Department is unable to find sales of the foreign like product in the comparison market at the same LOT as the EP or CEP, the Department may compare the U.S. sale to sales at a different LOT in the comparison market. In comparing export price or CEP sales at a different LOT in the comparison market, where available data make it practicable, we make a LOT adjustment under section 773(a)(7)(A) of the Act. Finally, for CEP sales only, if a NV LOT is more remote from the factory than the CEP LOT and there is no basis for determining whether the difference in

<sup>3</sup> Where NV is based on constructed value, we determine the NV LOT based on the LOT of the sales from which we derive selling expenses and profit for constructed value, where possible.

LOTs between NV and CEP affects price comparability (*i.e.*, no LOT adjustment was practicable), the Department shall grant a CEP offset, as provided in section 773(a)(7)(B) of the Act. See *Cut-to-Length Plate from South Africa*, 62 FR 61731 (November 19, 1997).

We obtained information from Etira and KKB regarding the marketing stages involved in making the reported home market and U.S. sales, including a description of the selling activities performed for each channel of distribution. Company-specific LOT findings are summarized below.

All of Etira's sales in the home market were to distributors, comprising a single LOT. Etira provided no services such as inventory maintenance, technical advice, warranty services, or advertising for home market customers.

In the U.S. market, Etira made only export price sales to trading companies. As in the home market, Etira did not provide any services, such as inventory maintenance, technical advice, or advertising to its U.S. customers, but did incur expenses to transport the merchandise to the port of exportation. Accordingly, there is only one LOT for U.S. sales.

KKB's home market sales were exclusively to trading companies, constituting a single LOT. KKB provided no services such as inventory maintenance, technical advice, warranty services, or advertising for home market customers.

In the U.S. market, KKB made only export price sales to trading companies. Although KKB incurred freight costs in delivering the product to the port, it did not provide any other services, such as inventory maintenance, technical advice, or advertising in selling to its U.S. customers. Accordingly, there is only one LOT for U.S. sales.

For both companies, we compared the export price LOT to the home market LOT and concluded that the selling functions performed for home market customers were essentially the same as those performed for U.S. customers. Accordingly, we considered the export price and home market LOTs to be the same. Consequently, we compared export price sales to sales at the same LOT in the home market of both companies.

### Price-to-Price Comparisons

For Etira and KKB, we based NV on the price at which the foreign like product is first sold for consumption in the exporting country, in the usual commercial quantities and in the ordinary course of trade, and at the same LOT as the export price, as