

adjustment. *See* section 773(a)(7)(A) of the Act.

2. Hard Red Spring Wheat

The CWB reported seven channels of distribution in the home market, with three customer categories. The first channel of distribution, coded in its submissions as channel 1, included Eastern Water In-store Thunder Bay sales made to unaffiliated resellers and end-users. The second channel of distribution, coded in its submissions as channel 2, were Eastern Water FOB In-store St. Lawrence sales made to end users. The third channel of distribution, coded in its submissions as channel 3, were Rail to East (not through Thunder Bay) sales made to unaffiliated resellers and end users. The fourth channel of distribution, coded in its submissions as channel 4, were Western Elevator to Mills (acting as a process elevator) sales made to unaffiliated resellers and end users. The fifth channel of distribution, coded in its submissions as channel 5, were Western Elevator to Mill (not acting as a process elevator) and Producer Direct sales made to unaffiliated resellers, end users, and producers. Sales to these customer categories in each of these channels were similar with respect to sales process, freight services, warehouse/inventory maintenance, and warranty service. Accordingly, we preliminarily determine that these channels of distribution constitute a distinct LOT ("LOTH1").

The sixth channel of distribution, coded in its submissions as channel 6, were Western Mill Producer Direct sales made to end users. The seventh channel of distribution, coded in its submissions as channel 10, were Producer Direct Sales, Domestic Feed Sales, or Truck Sales to the United States made to unaffiliated resellers, end users, and producers. Sales to these customer categories in these channels were similar with respect to sales process, freight services, warehouse/inventory maintenance, and warranty service, but differed from sales to LOTH1 substantially with respect to freight services. Accordingly, we preliminarily determine that these channels of distribution constitute a distinct LOT ("LOTH2").

In the U.S. market, the CWB had only EP sales. The CWB reported EP sales to four channels of distribution and three customer categories. The first channel of distribution, coded in its submissions as channel 7, were Rail Minneapolis/Chicago sales made to unaffiliated resellers and end users. The second channel of distribution, coded in its submissions as channel 8, were Vessel

Thunder Bay to Buffalo/Puerto Rico sales made to unaffiliated resellers. The third channel of distribution, coded in its submissions as channel 9, were Vancouver to United States sales made to unaffiliated resellers and end users. Sales to both customer categories in these channels were similar with respect to sales process, freight services, warehouse/inventory maintenance, and warranty service. Accordingly, we preliminarily determine that these channels of distribution constitute a distinct LOT ("LOTU1").

The fourth channel of distribution, coded in its submissions as channel 10, were Producer Direct Sales, Domestic Feed Sales, or Truck Sales to the United States made to unaffiliated resellers and producers. Sales to both customer categories in this channel were similar with respect to sales process, freight services, warehouse/inventory maintenance, and warranty service. We further found that sales in this channel ("LOTU2") differed substantially from LOTU1 with respect to freight services and warehouse/inventory maintenance, and that sales in each LOT were made at different points in the chain of distribution. Based upon our overall analysis in the U.S. market, we found that LOTU1 and LOTU2 constitute two distinct levels of trade.

The EP level of trade LOTU1 was similar to the home market level of trade LOTH1 with respect to sales process, freight services, warehousing/inventory maintenance, and warranty service, but differed considerably from home market level of trade LOTH2 with respect to freight services. Consequently, we matched U.S. sales at EP level of trade LOTU1 to sales at the same level of trade in the home market (*i.e.*, LOTH1). Where we did not match products at the same level of trade, and there was a pattern of consistent price differences between different levels of trade, we made a level of trade adjustment. *See* section 773(a)(7)(A) of the Act.

The EP level of trade LOTU2 was similar to the home market level of trade LOTH2 with respect to sales process, freight services, warehousing/inventory maintenance, and warranty service, but differed considerably from home market level of trade LOTH1 with respect to freight services and warehousing/inventory maintenance. Consequently, we matched U.S. sales at EP level of trade LOTU2 to sales at the same level of trade in the home market (*i.e.*, LOTH2). Where we did not match products at the same level of trade, and there was a pattern of consistent price differences between different levels of trade, we made a level of trade

adjustment. *See* section 773(a)(7)(A) of the Act.

E. Calculation of Normal Value Based on Comparison Market Prices

We calculated NV based on in-store or C&F prices to unaffiliated customers or prices to affiliated customers that we determined to be at arm's length. We identified the correct starting price, where appropriate, by accounting for interest charges/allowances, cleaning allowances, cost of moving charges, late shipment storage charges, rail freight allowances, and billing adjustments. We also made adjustments for the following movement expenses, where appropriate, in accordance with section 773(a)(6)(B)(iii) of the Act: Foreign inland freight (from country elevator to terminal or Eastern Canadian Mills, or from Thunder Bay to St. Lawrence), hopper car charges, terminal expenses, fobbing costs, handling and elevation expenses, and country elevator storage expenses. As noted in the Calculation Memoranda, we reclassified certain expenses reported by the CWB as movement expenses as direct selling expenses. Because there are no cost differences attributable to differences in the physical characteristics of the merchandise in these cases, we were not able to make a difference in merchandise adjustment—pursuant to section 773(a)(6)(C)(ii) of the Act and 19 CFR 351.411—based on costs. In addition, where appropriate, we made adjustments under section 773(a)(6)(C)(iii) of the Act for differences in circumstances of sale for imputed credit expenses, tender premiums, car awards performance measures, cleaning costs, weighing/inspection costs, protein premiums, producer revenues, and certain other proprietary adjustments. We also made adjustments, in accordance with 19 CFR 351.410(e), for indirect selling expenses incurred in the comparison market or on U.S. sales where commissions were granted on sales in one market but not in the other (the commission offset). Finally, where appropriate, we made an adjustment for differences in LOT under section 773(a)(7)(A) of the Act and 19 CFR 351.412(b)–(e).

Currency Conversion

We made currency conversions into U.S. dollars in accordance with section 773A(a) of the Act based on the exchange rates in effect on the dates of the U.S. sales as certified by the Federal Reserve.

Verification

As provided in section 782(i) of the Act, we will verify all information to be