

indirect selling expenses incurred by DPF in the United States. We also deducted from the starting price an amount for profit in accordance with section 772(d)(3) of the Act. *See Analysis Memorandum for Dole*, dated June 20, 2003 (Dole Analysis Memorandum).

## Normal Value

### A. Selection of Comparison Markets

Based on a comparison of the aggregate quantity of home market sales and U.S. sales, we determined that, with the exception of Malee, the quantity of foreign like product each respondent sold in Thailand did not permit a proper comparison with the sales of the subject merchandise to the United States because the quantity of each company's sales in its home market was less than 5 percent of the quantity of its sales to the U.S. market. *See* section 773(a)(1) of the Act. Therefore, for all respondents except Malee, in accordance with section 773(a)(1)(B)(ii) of the Act, we based NV on the price at which the foreign like product was first sold for consumption in each respondent's largest viable third-country market, *i.e.*, Germany for Vita, France for SIFCO, Canada for Dole, Canada for Kuiburi, and Germany for TIPCO. With respect to Malee, we based NV on the price at which the foreign like product was first sold for consumption in the home market.

### B. Cost of Production Analysis

Pursuant to section 773(b)(1) of the Act, we initiated a COP investigation of comparison markets for each respondent. Because we disregarded sales that failed the cost test in the last completed review for TIPCO, TPC, Malee, Kuiburi, SIFCO, Dole, and Vita, we had reasonable grounds to believe or suspect that sales by these companies of the foreign like product under consideration for the determination of NV in this review were made at prices below the COP, as provided by section 773(b)(2)(A)(ii) of the Act.<sup>18</sup> As a result, we initiated an investigation of sales below cost for each of these companies. We conducted the COP analysis as described below.

#### 1. Calculation of COP/Fruit Cost Allocation

In accordance with section 773(b)(3) of the Act, for each respondent, we calculated the weighted-average COP, by model, based on the sum of the costs of materials, fabrication, selling, general and administrative (SG&A) expenses, interest expense, and packing costs. We relied on the submitted COPs except in the specific instances noted below, where the submitted costs were not appropriately quantified or valued.

The Department's long-standing practice, now codified at section 773(f)(1)(A) of the Act, is to rely on a company's normal books and records if such records are in accordance with home country generally accepted accounting principles (GAAP) and reasonably reflect the costs associated with production of the merchandise. In addition, as the statute indicates, the Department considers whether an accounting methodology, particularly an allocation methodology, has been historically used by the company. *See* section 773(f)(1)(A) of the Act. In previous segments of this proceeding, the Department has determined that joint production costs (*i.e.*, pineapple and pineapple processing costs) cannot be reasonably allocated to canned pineapple on the basis of weight. *See* Final Determination of Sales at Less Than Fair Value: Canned Pineapple Fruit From Thailand, 60 FR 29553, 29561 (June 5, 1995),<sup>19</sup> and Notice of Final Results of Antidumping Duty Administrative Review: Canned Pineapple Fruit From Thailand, 63 FR 7392, 7398 (February 13, 1998). For instance, cores and shells are used in juice production, while trimmed and cored pineapple cylinders are used in CPF production. Because these various parts of a pineapple are not interchangeable when it comes to CPF versus juice production, it would be unreasonable to value all parts of the pineapple equally by using a weight-based allocation methodology.

Several respondents that revised their fruit cost allocation methodologies during the 1995/1996 POR changed from their historical net realizable value (NRV) methodology to weight-based methodologies and did not incorporate any measure of the qualitative factor of the different parts of the pineapple. As a result, such methodologies, although in conformity with Thai GAAP, do not

reasonably reflect the costs associated with production of CPF. Therefore, for companies whose fruit cost allocation methodology is weight-based, we requested that they recalculate fruit costs allocated to CPF based on NRV methodology.

Consistent with prior segments of this proceeding, the NRV methodology that we requested respondents to use was based on company-specific historical amounts for sales and separable costs during the five-year period of 1990 through 1994. We made the following company-specific adjustments to the cost data submitted in this review.

#### SIFCO

We adjusted SIFCO's calculation of general and administrative (G&A) expenses and interest expenses as a ratio of its cost of goods sold. SIFCO included SG&A expenses, interest expenses, and packing expenses in the denominator of its original calculation of G&A and interest expenses. We recalculated the ratios after adjusting the denominator to deduct these costs. *See* SIFCO Analysis Memorandum.

#### Malee

In past reviews, we have not asked Malee to submit NRV because Malee allocated fruit costs on a basis that reasonably took into account qualitative differences between pineapple parts used in CPF versus juice products in its normal accounting records. For this review, it has changed the way it allocates fruit costs in its normal accounting records. However, we do not accept the methodologies Malee submitted for this review for the reasons outlined in the Malee Analysis Memorandum. Therefore, we calculated Malee's fruit costs for this review using Malee's standard allocation methodology that we have used in prior reviews.

#### Kuiburi

Since the first administrative review of CPF from Thailand the Department has utilized a NRV methodology to allocate pineapple fruit costs among joint products. Under this methodology, the separable costs for each joint product are subtracted from the gross revenue for each joint product. The ratio of the net realizable value of each joint product to the total net realizable value of all products is then used as the allocation base. Kuiburi reported two NRV methodologies in its response, one based on an historical period and the other based on a five-year period of 1997 through 2001. For the following reasons, we have found that Kuiburi's reported NRV methodologies were

<sup>18</sup> The 2000/2001 review was not completed until five months after the current review was initiated. Therefore, at the time the questionnaires were issued, we initiated the COP investigations based on the results of the completed 1999/2000 review. *See* Notice of Final Results of Antidumping Duty Administrative Review and Recession of Administrative Review in Part: Canned Pineapple Fruit From Thailand, 66 FR 52744 (October 17, 2001).

<sup>19</sup> This determination was upheld by the Court of Appeals for the Federal Circuit. *The Thai Pineapple Public Co. v. United States*, 187 F.3d 1362 (Fed. Cir. 1999) (finding that the Department's cost allocation methodology in the original investigation was reasonable and supported by substantial evidence).