

handling using surrogate data, which was based on Indian freight costs. (Our surrogate-country selection is discussed in the “*Normal Value*” section of this notice, below.) Because ocean freight was provided by a PRC-owned company, we valued this deduction using amounts charged by market-economy providers.

Normal Value

Section 773(c)(1) of the Act provides that the Department shall determine NV using a factors-of-production methodology if: (1) the subject merchandise is exported from an NME country, and (2) the Department finds that the available information does not permit the calculation of NV under section 773(a) of the Act. We have no basis to determine that the available information would permit the calculation of NV using PRC prices or costs. Therefore, we calculated NV based on factors data in accordance with section 773(c) of the Act and 19 CFR 351.408(c).

Under the factors-of-production methodology, we are required to value, to the extent possible, the NME producer's inputs in a market-economy country that is at a comparable level of economic development and that is a significant producer of comparable merchandise. We chose Poland, a significant producer of non-frozen apple juice concentrate, as the primary surrogate country on the basis of the criteria set out in sections 773(c)(2)(B) and 773(c)(4) of the Act and in 19 CFR 351.408(b). Although Poland was not on the Department's list of most comparable economies, we were unable to establish that these comparable economies were significant producers of merchandise comparable to non-frozen apple juice concentrate.

We have relied upon publicly available values from Poland for the major input, juice apples, as well as for electricity, factory overhead, selling, general and administrative expenses (“SG&A”), and profit ratios. Because we were unable to obtain Polish data to value the other miscellaneous factors of production, we have valued these inputs using public information on the record for India, one of the comparable economies we identified. See the June 17, 2003, Memorandum to Audrey Twyman from Ron Lorentzen, “New Shipper Review for Non-frozen Apple Juice Concentrate from the People's Republic of China (PRC): Request for a List of Surrogate Countries.”

Because some of the Indian data was not contemporaneous with the POR we inflated the values to the POR using the Indian wholesale price indices (“WPI”)

published by the International Monetary Fund. See the July 23, 2003, Memorandum to Jeffrey May from Susan Kuhbach, “Surrogate Selection and Valuation - Non-Frozen Apple Juice Concentrate from China: Yantai Golden Tide Fruits & Vegetable Food Co., Ltd.” (“*Surrogate Country Memo*”), for a further discussion of our surrogate selection, which is on file in the Department's Central Records Unit in Room B-099 of the main Department building (“CRU”).

Pursuant to the Department's factors-of-production methodology as provided in section 773(c) of the Act and 19 CFR 351.408(c), we valued Golden Tide's reported factors of production by multiplying them by the following values²:

Juice Apples: We have valued juice apples using prices of juice apples in Poland, covering 20 weeks of the POR. This information was provided to the Department by the Foreign Agriculture Service (“FAS”) at the U.S. Embassy in Warsaw, Poland, which obtained it from the Polish Foreign Agricultural Markets Monitoring Unit/Foundation for Aid Programs for Agriculture and the Institute of Agricultural Economics. The average value of these 20 weekly prices is \$45.30 per metric ton.

Processing Agents: We valued pectinex enzyme, amylase enzyme, bentonite, gelatin, silica gel, and activated carbon for the POR using the *World Trade Atlas* data for India, which is based on data reported by the DGCI&S of the Ministry of Commerce, which also supplies the same data for the *Monthly Statistics of the Foreign Trade of India, Volume II: Imports* (“Indian import statistics”).

Labor: Pursuant to 19 CFR 351.408(c)(3), we valued labor using the regression-based wage rate for the PRC published by Import Administration on its website.

Electricity and Steam Coal: To value electricity, we used Polish industrial electricity rate data from the *Energy Prices & Taxes - Quarterly Statistics (Third Quarter 2000)* published by the International Energy Agency. We used the 1999 price and inflated it to the POR. We determined that the most contemporaneous and detailed information regarding steam coal was from the *Energy Data Directory & Yearbook (2001/2002)* published by Tata Energy Research Institute (“TERI”). We used the Indian data because, unlike

the Polish data, the Indian price of steam coal is segregated by useful heat value (“UHV”). We used the January 2001 price and inflated it to the POR using the Indian WPI.

Factory Overhead, SG&A, and Profit: We derived ratios for factory overhead, SG&A, and profit using the 2002 financial statement of Agros, a public company in Poland that produces products similar to the subject merchandise.

Packing Materials: We calculated values for aseptic bags and labels using the *World Trade Atlas* data for India for the POR. We converted values from a per-kilogram to a per-piece basis, where necessary.

For steel drums, we could not find a reliable current Indian value. Therefore, we used a 1994 Indonesian price and inflated it using the Indonesian WPI.

Inland Freight Rates: To value truck freight rates, we used an April 2002 article from the *Iron and Steel Newsletter*, which quotes information derived from the website, www.infreight.com. We used the April 2002 price and inflated it to the POR using the Indian WPI. With regard to rail freight, we based our calculation on posted rail rates from the Indian Railways at <http://www.indianrailways.gov.in>. We calculated an average per-kilometer per-metric ton rate.

International Freight: We used rates collected from the Descartes online system to value Golden Tide's international freight.

Brokerage and Handling: The brokerage and handling amount we used in our calculations was derived from an amount charged in Indian Rupees by and Indian shipping company. This figure was taken from the public version of a U.S. sales listing reported in the questionnaire response submitted by Meltroll Engineering for *Stainless Steel Bar from India; Final Results of Antidumping Duty Administrative Review and New Shipper Review and Partial Rescission of Administrative Review*, 65 FR 48965 (August 10, 2000) (placed on the record of this segment of the proceeding on July 23, 2003, as an attachment to the *FOP Memo*). Because this information is not contemporaneous with the POR, we adjusted the data to the POR by using the Indian WPI.

By-products: Golden Tide reported a by-product resulting from production of the subject merchandise, apple pomace. Because we were unable to find reliable values in any potential surrogate country for apple pomace we used U.S. prices. We will continue to look for an appropriate surrogate for purposes of

² For a complete description of the factor values used, see the Memorandum to Susan Kuhbach: “Factors of Production Values Used for the Preliminary Results: Yantai Golden Tide Fruits & Vegetable Food Co., Ltd.” (“*FOP Memo*”), dated July 23, 2003, which is on file in the CRU.