

# Sweet Victory for U.S. Honey Producers

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*Washington, DC* - The U.S. government handed a sweet victory to U.S. honey producers yesterday by ruling that honey imports from Argentina and China injured the domestic industry.

The International Trade Commission (ITC) issued the ruling, which was the final step in a year-long investigation into alleged unfair trading activities practiced by Chinese and Argentinian honey exporters and the government of Argentina. The ruling authorizes the U.S. Customs Service to impose antidumping duties ranging between 33% and 61% on honey imports from Argentina and between 26% and 184% on Chinese imports. An additional countervailing duty of 6% will be imposed on imports from Argentina to offset the unfair subsidies granted by that country's government to its honey producers.

The ITC ruling essentially wrapped-up an unfair trade case filed on September 29, 2000 by the American Honey Producers (AHPA) and the Sioux Honey Association (SHA). According to AHPA President Richard Adey, whose organization represents about 800 domestic beekeepers, "We are delighted that the U.S. government's investigation into these unfair trading practices confirmed what U.S. honey producers have been up against for years. We are particularly pleased that the ITC affirmed that critical circumstances exist, which means that there are millions of dollars of potential dumping duties to be collected. The U.S. honey industry charged that Chinese exporters flooded the U.S. market with honey just prior to the imposition of the preliminary antidumping duties last May. As a result of yesterday's decision, the U.S. Customs Service will impose antidumping duties on Chinese honey imports from the exporters who engaged in the import surges that entered the United States up to 90 days before the announcement of the preliminary determination.

Said SHA President Jerry Probst, "Clearly, these imports were being dumped in the U.S. at less than fair value and stealing U.S. market share. The hundreds of domestic honey producers who belong to the Sioux Honey Association and suffered injury due to these unfairly traded imports can now return to a leveled-off playing field and compete fairly and squarely."

According to the petition filed by the AHPA and SHA with the U.S. government, in 2000, combined honey imports into the U.S. from Argentina and China were 158 million pounds, up from only 100 million pounds in 1998. Over the same three year period, the price of these imports in the United States fell about 25%. Although the amount of honey consumed each year in the U.S. has increased significantly between 1998 and 2000, U.S. market share for domestic honey producers fell, while the share held by imports from China and Argentina increased significantly.

The AHPA and the SHA are represented by Kelley Drye's Washington, D.C. office, and Georgetown Economic Services, the firm's economic consulting subsidiary. International trade attorney Michael J. Coursey, a partner at Kelley Drye, heads the legal and economic team.