



## FACT SHEET

### Commerce Preliminarily Finds Countervailable Subsidization of Imports of Ripe Olives from Spain

- On November 21, 2017, the Department of Commerce (Commerce) announced the preliminary results of the countervailing duty (CVD) investigation of imports of ripe olives from Spain.
- The CVD law provides U.S. businesses and workers with a transparent, quasi-judicial, and internationally accepted mechanism to seek relief from the market-distorting effects caused by injurious dumping and unfair subsidization of imports into the United States, establishing an opportunity to compete on a level playing field.
- For the purpose of CVD investigations, a countervailable subsidy is financial assistance from a foreign government that benefits the production of goods from foreign companies and is limited to specific enterprises or industries, or is contingent either upon export performance or upon the use of domestic goods over imported goods.
- Commerce has calculated a preliminary subsidy rate of 2.31 percent for mandatory respondent, Aceitunas Guadalquivir S.L.U.; 2.47 percent for Agro Sevilla Aceitunas S.Coop.And.; and, 7.24 percent for Angel Camacho Alimentacion S.L.. All other producers/exporters in Spain have been assigned a preliminary subsidy rate of 4.47 percent.
- As a result of the preliminary affirmative determination, Commerce will instruct U.S. Customs and Border Protection (CBP) to require cash deposits based on these preliminary rates.
- The petitioner is the Coalition for Fair Trade in Ripe Olives, whose individual members are Bell-Carter Foods, Inc. (CA), and Musco Family Olive Co. (CA).
- The scope of this investigation covers certain processed olives, usually referred to as “ripe olives.” The subject merchandise includes all colors of olives; all shapes and sizes of olives, whether pitted or not pitted, and whether whole, sliced, chopped, minced, wedged, broken, or otherwise reduced in size; all types of packaging, whether for consumer (retail) or institutional (food service) sale, and whether canned or packaged in glass, metal, plastic, multi-layered airtight containers (including pouches), or otherwise; and all manners of preparation and preservation, whether low acid or acidified, stuffed or not stuffed, with or without flavoring and/or saline solution, and including in ambient, refrigerated, or frozen conditions.

Included are all ripe olives grown, processed in whole or in part, or packaged in Spain. Subject merchandise includes ripe olives that have been further processed in Spain or a third country, including but not limited to curing, fermenting, rinsing, oxidizing, pitting, slicing, chopping, segmenting, wedging, stuffing, packaging, or heat treating, or any other processing that would not otherwise remove the merchandise from the scope of the investigations if performed in Spain.

Excluded from the scope are: (1) specialty olives<sup>1</sup> (including “Spanish-style,” “Sicilian-style,” and other similar olives) that have been processed by fermentation only, or by being cured in an alkaline solution for not longer than 12 hours and subsequently fermented; and (2) provisionally prepared olives unsuitable for immediate consumption (currently classifiable in subheading 0711.20 of the Harmonized Tariff Schedule of the United States (HTSUS)).

The merchandise subject to this investigation is currently classifiable under subheadings 2005.70.0230, 2005.70.0260, 2005.70.0430, 2005.70.0460, 2005.70.5030, 2005.70.5060, 2005.70.6020, 2005.70.6030, 2005.70.6050, 2005.70.6060, 2005.70.6070, 2005.70.7000, 2005.70.7510, 2005.70.7515, 2005.70.7520, and 2005.70.7525 HTSUS. Subject merchandise may also be imported under subheadings 2005.70.0600, 2005.70.0800, 2005.70.1200, 2005.70.1600, 2005.70.1800, 2005.70.2300, 2005.70.2510, 2005.70.2520, 2005.70.2530, 2005.70.2540, 2005.70.2550, 2005.70.2560, 2005.70.9100, 2005.70.9300, and 2005.70.9700. Although HTSUS subheadings are provided for convenience and US Customs purposes, they do not define the scope of the investigations; rather, the written description of the subject merchandise is dispositive.

- In 2016, imports of ripe olives from Spain were valued at an estimated \$70.9 million.

## NEXT STEPS

- Commerce is scheduled to announce its final determination on or about April 4, 2018, unless the statutory deadline is extended.
- If Commerce makes an affirmative final determination, and the U.S. International Trade Commission (ITC) makes an affirmative final determination that imports of ripe olives from Spain materially injure, or threaten material injury to, the domestic industry, Commerce will issue a CVD order. If either Commerce’s or the ITC’s final determinations are negative, no CVD order will be issued. The ITC is scheduled to make its final injury determination approximately 45 days after Commerce issues its final determination, if affirmative.

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<sup>1</sup> Some of the major types of specialty olives and their curing methods are:

- “Spanish-style” green olives. Spanish-style green olives have a mildly salty, slightly bitter taste, and are usually pitted and stuffed. This style of olive is primarily produced in Spain and can be made from various olive varieties. Most are stuffed with pimento; other popular stuffings are jalapeno, garlic, and cheese. The raw olives that are used to produce Spanish-style green olives are picked while they are unripe, after which they are submerged in an alkaline solution for typically less than a day to partially remove their bitterness, rinsed, and fermented in a strong salt brine, giving them their characteristic flavor.
- “Sicilian-style” green olives. Sicilian-style olives are large, firm green olives with a natural bitter and savory flavor. This style of olive is produced in small quantities in the United States using a Sevillano variety of olive and harvested green with a firm texture. Sicilian-style olives are processed using a brine-cured method, and undergo a full fermentation in a salt and lactic acid brine for 4 to 9 months. These olives may be sold whole unpitted, pitted, or stuffed.
- “Kalamata” olives: Kalamata olives are slightly curved in shape, tender in texture, and purple in color, and have a rich natural tangy and savory flavor. This style of olive is produced in Greece using a Kalamata variety olive. The olives are harvested after they are fully ripened on the tree, and typically use a brine-cured fermentation method over 4 to 9 months in a salt brine.
- Other specialty olives in a full range of colors, sizes, and origins, typically fermented in a salt brine for 3 months or more.

**PRELIMINARY SUBSIDY RATES:**

<b>COUNTRY</b>	<b>EXPORTER/PRODUCER</b>	<b>SUBSIDY RATE</b>
<b>Spain</b>	Aceitunas Guadalquivir S.L.U.	<b>2.31 %</b>
	Agro Sevilla Aceitunas S.Coop.And.	<b>2.47%</b>
	Angel Camacho Alimentacion S.L.	<b>7.24%</b>
	<b>All Others</b>	<b>4.47%</b>

**CASE CALENDAR:**

<b>EVENT</b>	<b>CVD INVESTIGATION</b>
<b>Petition Filed</b>	<b>June 22, 2017</b>
<b>DOC Initiation Date</b>	<b>July 12, 2017</b>
<b>ITC Preliminary Determination*</b>	<b>August 11, 2017†</b>
<b>DOC Preliminary Determination**</b>	<b>November 20, 2017</b>
<b>DOC Final Determination**</b>	<b>April 3, 2018 †</b>
<b>ITC Final Determination***</b>	<b>May 18, 2018</b>
<b>Issuance of Order****</b>	<b>May 25, 2018</b>

NOTE: Commerce preliminary and final determination deadlines are governed by statute. For CVD investigations, the deadlines are set forth in sections 703(b) and 705(a)(1) of the Tariff Act of 1930, as amended (the Act). These deadlines may be extended under certain circumstances.

†Where the deadline falls on a weekend/holiday, the appropriate date is the next business day.

\* If the ITC makes a negative preliminary determination of injury, the investigation is terminated.

\*\*These deadlines may be extended under the governing statute.

\*\*\*This will take place only in the event of a final affirmative determination from Commerce.

\*\*\*\*This will take place only in the event of a final affirmative determination from Commerce and the ITC.

**IMPORT STATISTICS:**

<b>SPAIN</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Volume (metric tons)	26,976	31,785	31,878
Value (USD)	56,984,859	62,960,346	70,891,065

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 2005.70.5030, 2005.70.5060, 2005.70.6020, 2005.70.6030, 2005.70.6050, 2005.70.6060, 2005.70.6070). Subject merchandise may also be imported under subheadings 2005.70.0230, 2005.70.0260, 2005.70.0430, 2005.70.0460, 2005.70.7000, 2005.70.7510, 2005.70.7515, 2005.70.7520, 2005.70.7525, 2005.70.0600, 2005.70.0800, 2005.70.1200, 2005.70.1600, 2005.70.1800, 2005.70.2300, 2005.70.2510, 2005.70.2520, 2005.70.2530, 2005.70.2540, 2005.70.2550, 2005.70.2560, 2005.70.9100, 2005.70.9300, and 2005.70.9700. These HTSUS subheadings may cover a significant amount of non-subject merchandise and therefore have been excluded for purposes of reporting import statistics above.