

Voluntary Report – Voluntary - Public Distribution

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Report Name: Countervailing Duty Investigation Initiated on Certain EU Dairy Products

Country: China - People's Republic of

Post: Beijing

Report Category: Agriculture in the News, Dairy and Products, Trade Policy Monitoring

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Report Highlights:

On August 21, 2024, the Ministry of Commerce (MOFCOM) of the People's Republic of China (PRC) announced that it had initiated an anti-subsidy (i.e., countervailing duty or CVD) investigation on imports of certain dairy products originating from the European Union. Dairy products under the investigation include all cheese products and certain milk and cream products. This report contains an unofficial English translation of the Announcement and a link to PRC trade data of these products. Interested parties are encouraged to undertake their own review of the original text.

Background

On August 21, 2024, MOFCOM announced it would initiate a CVD investigation on imports of certain dairy products originating from the European Union (EU). The subsidy investigation period determined in this investigation is from April 1, 2023, to March 31, 2024, and the industry injury investigation period is from January 1, 2020, to March 31, 2024.

Certain dairy products under the investigation include fresh cheese (including whey cheese) and curd, processed cheese (whether or not grated or powdered), blue cheese and other cheese with texture produced by *Penicillium roqueforti*, other unlisted cheeses, milk and cream that are not concentrated and not added with sugar or other sweetening substances (with the fat content exceeding 10 percent by weight). Products included in the investigation are classified in the Customs Import and Export Tariff Manual of the People's Republic of China under select harmonized tariff system (HS) codes.

HS Code List

04015000 - Milk and Cream exceeding 10 percent fat by weight
04061000 - Fresh Cheese
04062000 - Cheese Grated
04063000 - Cheese Processed, Not Grated
04064000 - Cheese, Blue-Veined, NESOI
04069000 - Cheese, Except Fresh

According to PRC General Administration of Customs of China (GACC) reported import data as captured by Trade Data Monitor, LLC, imports from all origins (i.e., EU and non-EU suppliers) of the above HS codes increased from \$1 billion in 2019 to \$2 billion in 2024. The percentage market share occupied by EU products of the above products ranged from 28 to 34 percent of all PRC imports. See attached file for PRC customs data.

Subsidies that MOFCOM included in the investigation include subsidy projects under EU Common Agricultural Policy and subsidy programs implemented by EU member states including Ireland, Austria, Belgium, Italy, Croatia, Finland, Romania, and the Czech Republic.

This report contains an unofficial English translation of the Announcement. The Chinese text for the Announcement is available for review ([link in Chinese](#)).

Unofficial English translation begins

Announcement No. 34 of 2024 of the Ministry of Commerce on the Initiation of an Anti-Subsidy Investigation on Imports of Certain Dairy Products Originating in the European Union

[Issuing Unit] Trade Remedies Bureau

[Issuing Document Number] Ministry of Commerce Announcement No. 34 of 2024

[Issuing Date] August 21, 2024

The Ministry of Commerce of the People's Republic of China (hereinafter referred to as the Ministry of Commerce) received an application for anti-subsidy investigation formally submitted by the Dairy Association of China and the China Dairy Industry Association (hereinafter referred to as the Applicant) on behalf of the domestic dairy industry on July 29, 2024. The Applicant requested an anti-subsidy investigation on imports of certain dairy products originating from the European Union. In accordance with Article 16 of the Anti-Subsidy Regulations of the People's Republic of China, on August 7, 2024, the Ministry of Commerce issued a consultation invitation to the EU government on the relevant anti-subsidy investigation matters and held consultations with the EU government on August 14.

In accordance with the relevant provisions of the Anti-Subsidy Regulations of the People's Republic of China, the Ministry of Commerce reviewed the qualifications of the applicant, relevant information about the products under investigation, relevant information about similar products in China, the impact of the products under investigation on domestic industries, and relevant information about the countries (regions) under investigation.

According to the evidence provided by the applicant and the preliminary review of the Ministry of Commerce, the total output of the applicant's certain dairy products in 2020, 2021, 2022, 2023 and the first quarter of 2024 accounted for a major part of the total output of similar products in China during the same period, which is in compliance with the provisions of Article 11 and Article 13 of the Anti-Subsidy Regulations of the People's Republic of China regarding the application for anti-subsidy investigation by domestic industries.

The application claims that the products under investigation have received subsidies from the EU and its member governments, and that the EU dairy industry (enterprises) may benefit from a total of 20 subsidy projects. After preliminary review, the Ministry of Commerce believes that the application contains the content and relevant evidence required for the filing of an anti-subsidy investigation as stipulated in Articles 14 and 15 of the Anti-Subsidy Regulations of the People's Republic of China.

According to the above review results and in accordance with Article 16 of the Anti-Subsidy Regulations of the People's Republic of China, the Ministry of Commerce has decided to initiate

an anti-subsidy investigation on imports of certain dairy products originating from the EU from August 21, 2024. The relevant matters are hereby announced as follows:

I. Investigation and Investigation Period

From the date of this announcement, the Ministry of Commerce will initiate an anti-subsidy investigation on imports of certain dairy products originating in the European Union. The subsidy investigation period determined in this investigation is from April 1, 2023 to March 31, 2024, and the industry injury investigation period is from January 1, 2020 to March 31, 2024.

II. Products under Investigation and Scope of Investigation

Scope of investigation: Imported certain dairy products originating from the EU.

Name of the products under investigation: certain dairy products.

English name: Certain dairy products.

Product description: Certain dairy products specifically include fresh cheese (including whey cheese) and curd, processed cheese (whether or not grated or powdered), blue cheese and other cheese with texture produced by *Penicillium roqueforti*, other unlisted cheeses, milk and cream that are not concentrated and not added with sugar or other sweetening substances (fat content exceeds 10 percent by weight).

Main uses: Mainly used as food for human consumption directly or after processing.

Products classified in the Customs Import and Export Tariff of the People's Republic of China: 04015000, 04061000, 04062000, 04063000, 04064000, 04069000.

III. Anti-subsidy Investigation Items

In the application submitted, the applicant claimed that the EU and its member governments provided a total of 20 subsidy projects to the EU's dairy industries (enterprises). After preliminary review and taking into account the claims made by the EU government in the pre-filing consultations in accordance with the law, the Ministry of Commerce decided to investigate the following subsidy projects in this investigation:

1. Subsidy projects under EU Common Agricultural Policy:

- 1) Voluntary-linked subsidies and income-linked subsidies
- 2) Basic payment schemes and sustainable basic income subsidies
- 3) Green subsidies and ecological program subsidies
- 4) Redistributive subsidies and sustainable supplementary redistributive income subsidies
- 5) Young Farmers Subsidy and Young Farmers Supplementary Income Subsidy
- 6) Relevant dairy product storage subsidies
- 7) Rural Development Intervention Package

2. Subsidy programs implemented by EU member states

- 8) Ireland - Dairy Equipment Subsidy Scheme
- 9) Austria - Mobility Subsidy Scheme
- 10) Austria - Bridge Loan Guarantee Program
- 11) Belgium-Flemish Bridge Loan Scheme
- 12) Italy - Livestock Insurance Subsidy
- 13) Italy - Dairy Logistics Subsidy
- 14) Croatia - Livestock producer subsidies
- 15) Croatia - Subsidy for raw milk purchase costs
- 16) Finland - Agricultural producer damage subsidies
- 17) Finland - Subsidies for agricultural and aquaculture sector costs
- 18) Finland - Dairy production enterprise cost subsidy
- 19) Romania - Livestock Administrative Subsidy
- 20) Czech Republic - Agricultural producer damage subsidies

IV. Register to participate in the survey

The interested parties and the governments of the interested countries (regions) shall register with the Trade Remedies and Investigation Bureau of the Ministry of Commerce to participate in this anti-subsidy investigation within 20 days from the date of the release of this announcement. The interested parties and the governments of the interested countries (regions) participating in the investigation shall provide basic identity information, the quantity and amount of the investigated products exported to or imported from China, the quantity and amount of similar products produced and sold, and related information in accordance with the "Reference Format for Registration to Participate in the Investigation". The "Reference Format for Registration to Participate in the Investigation" can be downloaded from the Trade Remedies and Investigation Bureau sub-website of the Ministry of Commerce website.

Stakeholders and governments of interested countries (regions) who register to participate in this anti-subsidy investigation and submit comments and questionnaires during the investigation should submit an electronic version through the "Trade Remedy Investigation Information Platform" (<https://etrb.mofcom.gov.cn>) and submit a written version at the same time according to the requirements of the Ministry of Commerce. The electronic and written versions should have the same content and format.

The interested parties referred to in this announcement are the individuals and organizations specified in Article 19 of the Anti-Subsidy Regulations of the People's Republic of China.

V. Access to Public Information

The interested parties and the governments of the interested countries (regions) can download the non-confidential text of the application submitted by the applicant of this case from the sub-website of the Trade Remedy Investigation Bureau on the website of the Ministry of Commerce,

or go to the Trade Remedy Public Information Reading Room of the Ministry of Commerce (Tel: 0086-10-65197878) to search, read, transcribe and copy the non-confidential text of the application submitted by the applicant of this case. During the investigation, the interested parties and the governments of the interested countries (regions) can search for the public information of the case through the sub-website of the Trade Remedy Investigation Bureau on the website of the Ministry of Commerce or go to the Trade Remedy Public Information Reading Room of the Ministry of Commerce to search, read, transcribe and copy the public information of the case.

VI. Comments on the case

If interested parties and governments of interested countries (regions) wish to comment on the product scope, applicant qualifications, investigated countries (regions) and other relevant issues of this investigation, they may submit written opinions to the Trade Remedy Investigation Bureau of the Ministry of Commerce within 20 days from the date of publication of this announcement.

VII. Investigation Method

In accordance with Article 20 of the Anti-Subsidy Regulations of the People's Republic of China, the Ministry of Commerce may use questionnaires, sampling, hearings, on-site inspections and other methods to obtain information from relevant interested parties and governments of interested countries (regions) and conduct investigations.

In order to obtain the information required for the investigation of this case, the Ministry of Commerce usually issues a questionnaire to the interested parties and the governments of the interested countries (regions) listed in the application within 10 working days from the deadline for registration for participation in the investigation as stipulated in this announcement. The interested parties and the governments of the interested countries (regions) can also download the questionnaire from the Trade Remedy Investigation Bureau sub-website of the Ministry of Commerce website.

The "Questionnaire for Foreign Exporters or Producers in the Certain Dairy Products Countervailing Cases" inquires about information including the company's structure and operations, affiliated companies, production costs, sales, and detailed information on each specific subsidy project under investigation. The "Questionnaire for Domestic Producers in the Certain Dairy Products Countervailing Cases" inquires about information including the company's basic situation, the situation of similar domestic products, operations and related information, financial and related information, and other issues that need to be explained. The "Questionnaire for Domestic Importers in the Certain Dairy Products Countervailing Cases" inquires about information including the company's basic situation, trade in the investigated products and related information. The "Questionnaire for Governments in the Certain Dairy Products Countervailing Cases" inquires about information including the situation of the

investigated products, industry situation, management structure and policies, and detailed information on each specific subsidy project under investigation.

Interested parties and governments of interested countries (regions) should submit complete and accurate answers within the specified time, and the answers should include all the information required by the questionnaire.

8. Submission and processing of information

When interested parties and governments of interested countries (regions) submit comments, questionnaires, etc. during the investigation process, they should submit an electronic version through the "Trade Remedy Investigation Information Platform" (<https://etrb.mofcom.gov.cn>) and submit a written version at the same time according to the requirements of the Ministry of Commerce. The electronic version and the written version should have the same content and the same format.

If the information submitted by the interested parties or the governments of the interested countries (regions) to the Ministry of Commerce needs to be kept confidential, they may make a request to the Ministry of Commerce for confidentiality of the relevant information and explain the reasons. If the Ministry of Commerce agrees to their request, the interested parties or the governments of the interested countries (regions) that apply for confidentiality shall also provide a non-confidential summary of the confidential information. The non-confidential summary shall contain sufficient and meaningful information so that other interested parties can have a reasonable understanding of the confidential information. If the non-confidential summary cannot be provided, reasons shall be explained. If the information submitted by the interested parties or the governments of the interested countries (regions) does not state that it needs to be kept confidential, the Ministry of Commerce will regard the information as public information.

IX. Consequences of Non-cooperation

According to Article 21 of the Anti-Subsidy Regulations of the People's Republic of China, when the Ministry of Commerce conducts an investigation, the interested parties and the governments of the interested countries (regions) shall truthfully reflect the situation and provide relevant information. If the interested parties and the governments of the interested countries (regions) fail to truthfully reflect the situation and provide relevant information or fail to provide necessary information within a reasonable time, or seriously hinder the investigation in other ways, the Ministry of Commerce may make a ruling based on the available facts.

10. Investigation Period

The investigation will begin on August 21, 2024, and should normally be completed before August 21, 2025. It may be extended for six months in special circumstances.

11. Contact information of the Ministry of Commerce

Address: No. 2 East Chang'an Avenue, Beijing, China

Zip code: 100731

Trade Remedy Investigation Bureau of the Ministry of Commerce

Tel: 0086-10-65198054, 65198760

Fax: 0086-10-65198172

Website: Trade Remedy Investigation Bureau sub-website of the Ministry of Commerce website
(website: trb.mofcom.gov.cn)

Ministry of Commerce

August 21, 2024

Unofficial English translation ends

Attachments:

[240822 PRC Customs Select HS Code Cheese Import Values.xlsx](#)