

**Voluntary Report** – Voluntary - Public Distribution

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**Report Name:** Expiry Review Initiated on AD and CVD for United States Origin DDGS

**Country:** China - People's Republic of

**Post:** Beijing

**Report Category:** Administrative, Agricultural Situation, Agriculture in the News, Biofuels, Grain and Feed, MISC-Commodity, Trade Policy Monitoring, FAIRS Subject Report, Market Development Reports

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**Report Highlights:**

On January 11, 2022, the Ministry of Commerce (MOFCOM) of the People's Republic of China (PRC) announced it will conduct an Expiry Review on the antidumping (AD) and countervailing duty (CVD) measures imposed on U.S.-origin distiller's dried grains with or without solubles (DDGS). During the review, the PRC will maintain its decision to impose existing AD and CVD duties from January 12 through the conclusion of the review. Interested parties must submit comments to MOFCOM before February 7, 2022, for the purpose of the Expiry Review.

### **MOFCOM Announcements and Call for Follow Up**

On January 11, 2022, the PRC's MOFCOM issued public announcements Number 5 and Number 6 calling for the initiation of an Expiry Review on the AD and CVD measures, respectively, earlier imposed on the importation of U.S.-origin DDGS. The AD and CVD measures were due to expire on January 11, 2022, however a PRC industry association petitioned MOFCOM indicating that the PRC domestic industry is still vulnerable should U.S. DDGS reenter the market. MOFCOM 2022 [Announcement Number 5](#) (weblink in Chinese) on the AD Expiry Review and MOFCOM 2022 [Announcement Number 6](#) (weblink in Chinese) are available at the above hyperlinks.

MOFCOM's announcements indicate that the agency will take one year to complete the Expiry Review and that, specifically, this should be completed before January 12, 2023. The Expiry Review is reportedly to determine whether to extend the AD and CVD measures an additional five years.

**Interested parties should submit their “Petition Interest for Comment Submission” for both the AD Announcement and the CVD Announcement to MOFCOM before February 7, 2022.** See linked .wps file which is the MOFCOM “Reference Format” for file submissions at the bottom of this report along with other files in the Referenced Document section. There is a Chinese language version of the CVD registration form attached to this document as an example of data fields that must be completed when submitting a Petition Interest for Comment Submission.

All submissions to MOFCOM need to be in Chinese language and participants should consider submitting all materials and appendices in both Chinese and in English. Please note that MOFCOM administers an “online portal” as a means for submitting and passing information to registered participants who create a profile within the portal. Presently, MOFCOM requires interested participants to use the portal but companies are encouraged currently to also provide their registration in print. The registration form and other documents submitted to MOFCOM must be in a “.wps” format along with a “.pdf” format.

After the Petition Interest for Comment Submissions are provided, MOFCOM will then take ten days to issue a questionnaire to interested parties and notify stakeholders of a subsequent deadline for comments.

U.S. companies and exporters interested in the AD/CVD measures on U.S.-origin DDGS should contact [agbeijing@usda.gov](mailto:agbeijing@usda.gov) with questions. The FAS China office along with the U.S. Department of Commerce office at the U.S. Embassy in Beijing can provide contact lists for local council should a potential industry member be interested along with basic information on how to establish an account in the MOFCOM portal. Note: The U.S. Government Offices in Beijing can help explain necessary steps but are not able to complete materials or file registration and related forms on behalf of any U.S. industry member or association.

## **Background Information on AD/CVD Measures**

In a letter from MOFCOM's Trade Remedy Investigation Bureau to the United States Grains Council on January 11, the Bureau said the decision to hold the Expiry Review is "in response to the application of China's dry corn distiller's grains industry, in accordance with the provisions of the anti-dumping regulations and the countervailing regulations of China." According to other industry sources and later confirmed with attachments to the MOFCOM January 11 announcement, the China Alcoholic Drinks Association (CADA) applied to MOFCOM at the end of October 2021, urging MOFCOM to maintain the measures. The applications from CADA for the AD and CVD Expiry Reviews and accompanying appendices are attached to this report.

## **Supplementary Background and Important Dates**

### **1. Original Investigations**

On January 12, 2016, MOFCOM announced it was initiating the AD and CVD investigation on DDGS originating from the United States. On January 12, 2016 MOFCOM initiated AD and CVD investigation on the imported U.S. DDGS. The original announcement for AD and CVD investigations are available here:

<http://www.mofcom.gov.cn/article/b/e/201601/20160101231612.shtml> and here:  
<http://www.mofcom.gov.cn/article/b/e/201601/20160101231568.shtml>

On September 23, 2016, nine months after MOFCOM began its U.S. DDGS AD investigation, it announced a preliminary AD determination to impose a 33.8 percent duty on U.S. DDGS (see: <http://www.mofcom.gov.cn/article/b/e/201609/20160901399617.shtml>) along with a preliminary CVD determination to impose a 10 to 10.7 percent tariff on U.S. DDGS (see: <http://www.mofcom.gov.cn/article/b/e/201609/20160901402592.shtml>)

On January 11, 2017, MOFCOM announced the final ruling that AD duties would range from 42.2 percent to 53.7 percent, up from its 33.8 percent preliminary decision issued in September 2016. In addition, MOFCOM indicated its CVD tariffs will range from 11.2 percent to 12 percent, up from 10 percent to 10.7 percent notified in September 2016 (see: <http://www.mofcom.gov.cn/article/b/e/201701/20170102499211.shtml>).

### **2. Public Interest Review**

On February 28, 2019, the U.S. Grains Council, filed a petition for a public interest review of the original investigation, requesting MOFCOM cancel the AD and CVD determination made on U.S.-origin DDGS for the public interest. The petition called for MOFCOM to review and terminate the AD and CVD measures.

### **3. Administrative Reconsideration:**

On April 15, 2019, MOFCOM announced its decision to review the AD and CVD measures (see: <http://file.mofcom.gov.cn/article/gkml/201904/20190402853043.shtml>).

On June 19, 2019, MOFCOM announced it would maintain the AD and CVD tariffs on imported U.S.-origin DDGS. MOFCOM cited potential damage to domestic producers in its decision to retain AD duties of 42.2 percent to 53.7 percent and CVD tariffs of 11.2 percent to 12 percent on U.S.-origin DDGS (see:

<http://www.mofcom.gov.cn/article/b/e/201906/20190602874011.shtml>).

#### **4. Expiry Review Investigation**

On January 11, 2022, MOFCOM announced decisions to maintain AD duties and CVD tariffs on imported U.S.-origin DDGS (see <http://www.mofcom.gov.cn/article/zwgk/gkzcfb/202201/20220103236181.shtml> and <http://www.mofcom.gov.cn/article/zwgk/gkzcfb/202201/20220103236220.shtml>). The weblinks contain links to the AD and CVD Expiry Review Applications and Appendices as filed by the Chinese petitioner, the China Alcoholic Drinks Association.

#### **Reference Documents for Expiry Review**

**Note:** Owing to document format issues, not all attachments could be downloaded from the MOFCOM website and/or saved and transmitted as part of this GAIN report.

[CADA AD Application](#) (attached below)

[CADA AD Application Appendix](#) (file linked but too large for attachment)

[MOFCOM AD Reference Format to Petition Interest in Comment Submission](#) (file linked but note that it is a “.wps” formatted file and could not be attached)

[CADA CVD Application](#) (attached below)

[CADA CVD Application Appendix 1](#) (file linked but too large for attachment)

[CADA CVD Application Appendix 2](#) (file linked but too large for attachment)

[MOFCOM CVD Reference Format to Petition Interest for Comment Submission](#) (file linked but note that it is a “.wps” formatted file and could not be attached)

#### **Attachments:**

[211025 China Alcoholic Drinks Association AD Document.pdf](#)

[211025 China Alcoholic Drinks Association CVD Document.pdf](#)

[220111-DDGS-CVD-Registration Form blank\\_CN.doc](#)