

### **What is dumping?**

Dumping occurs when a foreign producer or exporter sells a product in another country at a price that is below “normal value.” Normal value may be the price at which the producer sells the merchandise in its own domestic market or a third-country market or may be a constructed value based on an evaluation of market pricing and costs to serve that market.

### **Why does dumping occur?**

This is done to disrupt the current market and increase market share. It also has the potential impact of driving out domestic producers.

### **Why is this a bad thing?**

Dumping can result in substantial job loss throughout an industry and related supporting industries. Also, when domestic producers are forced out of a marketplace, the domestic supply chain can be threatened.

The coronavirus pandemic has reminded us of the vulnerability of the global supply chain and the impacts on highly integrated industries, such as animal agriculture and food production, when disruptions occur. The disruptions experienced during the pandemic have highlighted the importance of local production for critical ingredients like methionine. Illegal dumping compromises local production and can make the domestic economy more vulnerable when the supply chain is heavily reliant upon imports.

### **What are antidumping petitions?**

Petitions are requests filed with the U.S. government asking it to investigate whether illegal dumping has occurred. Petitions include details such as which countries may be involved in the dumping and information on the injury or harm that has been incurred by the domestic industry. Petitions are not lawsuits.

### **Is Novus trying to stifle competition?**

To the contrary, Novus is simply asking the U.S. government to ensure Spain, France and Japan are abiding by international trade laws.

In fact, the World Trade Organization Agreements authorize all member countries, including the United States, to impose remedial duties on dumped imports if those imports cause, or threaten to cause, injury to a competing domestic industry. Novus leadership is asking the government to investigate whether there has been illegal dumping and, if so, ensure fair competition by those countries involved.

### **Won't this result in higher prices or less access for methionine?**

We cannot predict the market as methionine prices are responsive to supply and demand. Novus leadership believes in fair competition. Ensuring that all producers of methionine are complying with trade agreements is the best way to guarantee a strong, domestic supply of methionine for customers in the United States. Illegal dumping compromises local production and can make U.S. animal protein

producers and consumers more vulnerable when the supply chain is heavily reliant upon imports. A healthy domestic industry will help to maintain competition in the industry.

**Which U.S. Government agencies conduct antidumping investigations?**

Domestic industry antidumping petitions are filed with both the U.S. Department of Commerce and the U.S. International Trade Commission, which investigate different aspects of the petition.

Both agencies must determine that illegal and damaging dumping has occurred for duties to be imposed.

**What is the purpose of the antidumping duties?**

Antidumping duties are intended to offset the amount of dumping, thereby leveling the playing field for domestic industries injured by unfairly traded imports. Duties would only be imposed after the U.S. government determines that illegal dumping has occurred.

**How are antidumping duties distributed or used?**

Any duties are paid into the United States Treasury as a tax. They are not distributed to customers, companies or industries involved.

**How long does an antidumping investigation last?**

Most investigations are completed in approximately 13-14 months. In the case of the petitions filed July 29, 2020, the U.S. International Trade Commission is expected to make its preliminary determination by September 14, 2020 and the U.S. Department of Commerce is expected to make preliminary determinations and impose any remedial duties by January 5, 2021, although this deadline may be extended.