FACT SHEET

Commerce Finds Countervailable Subsidization of Imports of Biodiesel from Argentina and Indonesia

- On November 9, 2017, the Department of Commerce (Commerce) announced its affirmative final determinations in the countervailing duty (CVD) investigations of imports of biodiesel from Argentina and Indonesia.

- 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 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.

- In the Argentina CVD investigation, Commerce has calculated subsidy rates of 72.28 percent for LDC Argentina S.A. and 71.45 percent for Vicentin S.A.I.C. The subsidy rates for both respondents were determined partially on the basis of adverse facts available due to the failure to provide certain information as requested by Commerce. Commerce has determined a rate of 71.87 percent for all other Argentinian producers and exporters.

- In the Indonesia CVD investigation, Commerce has calculated subsidy rates of 34.45 percent for Wilmar International Ltd. and 64.73 percent for P.T. Musim Mas. Commerce determined a rate of 38.75 percent for all other Indonesian producers and exports.

- If the U.S. International Trade Commission (ITC) makes an affirmative injury determination, Commerce will instruct U.S. Customs and Border Protection (CBP) to continue the collection of cash deposits equal to the applicable subsidy rates. Since Commerce also found that critical circumstances no longer exist in the Argentina investigation with respect to Vicentin S.A.I.C. and LDC Argentina S.A., Commerce will instruct CBP to terminate the retroactive suspension of liquidation ordered at the preliminary determination, and will release any cash deposits that were required during that period.

- The petitioner is the National Biodiesel Board Fair Trade Coalition, an *ad hoc* association composed of the National Biodiesel Board and 15 domestic producers of biodiesel.

- The merchandise covered by these investigations is biodiesel, which is a fuel comprised of mono-alkyl esters of long chain fatty acids derived from vegetable oils or animal fats, including biologically-based waste oils or greases, and other biologically-based oil or fat sources. The investigations cover biodiesel in pure form (B100) as well as fuel mixtures containing blends above B30 and including 99 percent biodiesel by volume (B99). For fuel mixtures containing above 30 percent and including 99 percent biodiesel by volume, only the biodiesel component of the mixture is covered by the scope of the investigations.

- Biodiesel is generally produced to American Society for Testing and Materials International (ASTM) D6751 specifications, but it can also be made to other specifications. Biodiesel commonly has one of the following Chemical Abstracts Service (CAS) numbers, generally depending upon the feedstock used: 67784-80-9 (soybean oil methyl esters); 91051-34-2 (palm oil methyl esters); 91051-32-0 (palm kernel oil methyl esters); 73891-99-3 (rapeseed oil methyl esters); 61788-61-2 (tallow methyl esters); 68990-52-3 (vegetable oil methyl esters); 129828-16-6 (canola oil methyl esters); 67762-26-9 (unsaturated alkylcarboxylic acid methyl ester); or 68937-84-8 (fatty acids, C12-C18, methyl ester).

  The B100 product subject to the investigation is currently classifiable under subheading 3826.00.1000 of the Harmonized Tariff Schedule of the United States (HTSUS), while the blends above B30 through B99 product is currently classifiable under HTSUS subheading 3826.00.3000. Although the HTSUS subheadings, ASTM specifications, and CAS numbers are provided for convenience and customs purposes, the written description of the scope is dispositive.

- In 2016, imports of biodiesel from Argentina and Indonesia were valued at an estimated $1.2 billion and $268 million, respectively.

NEXT STEPS
- The ITC is scheduled to make its final determinations on or about December 26, 2017.

- If the ITC makes affirmative final determinations that imports of biodiesel from Argentina and Indonesia materially injure, or threaten material injury to, the domestic industry, Commerce will issue CVD orders. If the ITC makes negative determinations of injury, the investigations will be terminated.

FINAL SUBSIDY RATES:

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATE
Argentina	LDC Argentina S.A.	72.28%
	Vicentin S.A.I.C.	71.45%
	All Others	71.87%
Indonesia	P.T. Musim Mas	64.73%
	Wilmar International Ltd.	34.45%
	All Others	38.75%

CASE CALENDAR:

EVENT	CVD INVESTIGATIONS
Petitions Filed	**March 23, 2017**
DOC Initiation Date	**April 12, 2017**
ITC Preliminary Determination	**May 8, 2017**
DOC Preliminary Determination	**August 21, 2017**
DOC Final Determination	**November 7, 2017**
ITC Final Determination*	**December 26, 2017†**
Issuance of Order**	**January 3, 2018**

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.

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

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

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IMPORT STATISTICS:

ARGENTINA	2014	2015	2016
Volume (metric tons)	156,497	659,661	1,475,038
Value (USD)	136,035,141	470,305,187	1,199,817,824
INDONESIA	**2014**	**2015**	**2016**
Volume (metric tons)	170,962	236,832	370,969
Value (USD)	137,755,886	153,832,503	268,213,562

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 3826.00.1000 and 3826.00.3000)