SUG 2021 RI: Refined sugar

Notice of conclusion of re-investigations

Ottawa, March 30, 2022

The Canada Border Services Agency (CBSA) has today concluded re-investigations of the normal values and export prices of refined sugar, refined from sugar cane or sugar beets, in granulated, liquid and powdered form (refined sugar), originating in or exported from the United States, Denmark, Germany, the Netherlands and the United Kingdom and amounts of subsidy of refined sugar originating in or exported from the European Union.

The re-investigation was initiated on October 6, 2021, as part of the CBSA's ongoing enforcement of the Canadian International Trade Tribunal's (CITT) order issued on August 6, 2021.

On January 11, 2022, the CBSA extended the re-investigation due to the complexity and novelty of the issues presented by the re-investigations.

The product definition and the applicable tariff classification numbers of the goods subject to the CITT's order can be found on the CBSA's Measures in Force.

Period of investigation

The Period of Investigation (POI) and the Profitability Analysis Period (PAP) for the dumping re-investigation was from March 1, 2020 to August 31, 2021, and the POI for the subsidy re-investigation was from March 1, 2020 to August 31, 2021.

Re-investigation process

At the initiation of the re-investigations, the CBSA sent Requests for Information (RFI) to all known importers, exporters, producers and vendors to solicit information on the costs and selling prices of subject goods and like goods, as well as any subsidy programs that may be applicable to subject goods. The CBSA also sent an RFI to the European Commission (EC) to solicit information on any subsidy programs that may be applicable to subject goods. EC authorities were advised that the CBSA was conducting the re-investigation on an aggregate basis, resulting in a single amount of subsidy for the European Union (EU). The information was requested for purposes of updating the normal values, export prices and amounts of subsidy for subject goods imported into Canada. A desk verification was conducted for the cooperative exporter from the Netherlands and Germany.

As part of the re-investigations, case briefs and reply submissions were provided by counsels representing the complainants, responding exporter and the EC. Details of the representations are provided in Appendix 1. Details pertaining to the information submitted by the exporter and the EC in response to the RFIs as well as the results of the CBSA's re-investigations are provided below.

Specific normal values, export prices and amounts of subsidy for future shipments of refined sugar have been determined for the exporter that submitted a complete response to the Dumping RFI, Subsidy RFI, to the Supplemental RFIs and for whom the desk verification was considered reliable.

Normal values and export prices

Normal value

Normal values are generally determined based on the domestic selling prices of like goods in the country of export, in accordance with section 15 of SIMA, or on the aggregate of the cost of production of the goods, a reasonable amount for administrative, selling and all other costs, plus a reasonable amount for profits, in accordance with paragraph 19(b) of SIMA.

Where, in the opinion of the CBSA, sufficient information has not been furnished or is not available, normal values are determined pursuant to a Ministerial specification in accordance with subsection 29(1) of SIMA.

Export prices

The export price of goods sold to importers in Canada is generally determined in accordance with section 24 of SIMA based on the lesser of the adjusted exporter's sale price for the goods or the adjusted importer's purchase price. These prices are adjusted where necessary by deducting the costs, charges, expenses, duties and taxes resulting from the exportation of the goods as provided for in subparagraphs 24(a)(i) to 24(a)(iii) of SIMA.

Where, in the opinion of the CBSA, sufficient information has not been furnished or is not available, export prices are determined pursuant to a Ministerial specification under subsection 29(1) of SIMA.

Where there are sales between associated persons or a compensatory arrangement exists, the export price may be determined based on the importer's resale price of the imported goods in Canada to non-associated purchasers, less deductions for all costs incurred in preparing, shipping and exporting the goods to Canada that are additional to those incurred on the sales of like goods for use in the country of export, all costs that are incurred in reselling the goods (including duties and taxes) or associated with the assembly of the goods in Canada and an amount representative of the average industry profit in Canada, pursuant to paragraphs 25(1)(c) and 25(1)(d) of SIMA. In any cases not provided for under paragraphs 25(1)(c) and 25(1)(d) of SIMA, the export price is determined in such a manner as the Minister specifies, pursuant to paragraph 25(1)(e).

Dumping results

Cosun Beet Company (Cosun) is the only exporter that provided a complete response to the CBSA's Dumping and Subsidy RFI. The CBSA determined normal values for future shipments of subject goods for this producer/exporter, effective on March 30, 2022.

For all other exporters of subject goods from Denmark, Germany, the Netherlands, the United Kingdom and the United States, normal values will be determined by ministerial specification. The normal values for future shipments determined by ministerial specification are calculated by advancing the export price of the goods by 180%, pursuant to section 29 of SIMA.

Normal values previously in place expire on March 30, 2022.

Cosun Beet Company (Cosun)

Cosun is a producer of refined sugar in the Netherlands and Germany. Cosun purchases inputs from a related supplier, located in the Netherlands.

Cosun provided a complete response to the Dumping and Subsidy RFIs, two supplemental RFIs and desk verification questionnaires, including a database of domestic sales of sugar during the PAP.

Therefore, future normal values for Cosun were determined in accordance with the methodology of section 15 of SIMA, based on the company's weighted average domestic selling prices of sugar in the Netherlands and Germany.

Amounts of subsidy

In accordance with section 2 of SIMA, a subsidy exists if there is a financial contribution by a government of a country other than Canada that confers a benefit on persons engaged in the production, manufacture, growth, processing, purchase, distribution, transportation, sale, export or import of goods. A subsidy also exists in respect of any form of income or price support within the meaning of Article XVI of the *General Agreement on Tariffs and Trade*, 1994, being part of Annex 1A to the World Trade Organization (WTO) Agreement that confers a benefit.

Pursuant to subsection 2(1.6) of SIMA, there is a financial contribution by a government of a country other than Canada where:

a. practices of the government involve the direct transfer of funds or liabilities or the contingent transfer of funds or liabilities
b. amounts that would otherwise be owing and due to the government are exempted or deducted or amounts that are owing and due to the government are forgiven or not collected
c. the government provides goods or services, other than general governmental infrastructure, or purchases goods or
d. the government permits or directs a non-governmental body to do anything referred to in any of paragraphs (a) to (c) where the right or obligation to do the thing is normally vested in the government and the manner in which the non-governmental body does the thing does not differ

in a meaningful way from the manner in which the government would do it

Where subsidies exist they may be subject to countervailing measures if they are specific in nature. According to subsection 2(7.2) of SIMA, a subsidy is considered to be specific when it is limited, in a legislative, regulatory or administrative instrument, or other public document, to a particular enterprise within the jurisdiction of the authority that is granting the subsidy; or is a prohibited subsidy.

A “prohibited subsidy” is either an export subsidy or a subsidy or portion of a subsidy that is contingent, in whole or in part, on the use of goods that are produced or that originate in the country of export. An export subsidy is a subsidy or portion of a subsidy contingent, in whole or in part, on export performance. An “enterprise” is defined as including a group of enterprises, an industry and a group of industries. These terms are all defined in section 2 of SIMA.

Notwithstanding that a subsidy is not specific in law, under subsection 2(7.3) of SIMA a subsidy may also be considered specific having regard as to whether:

a. there is exclusive use of the subsidy by a limited number of enterprises
b. there is predominant use of the subsidy by a particular enterprise
c. disproportionately large amounts of the subsidy are granted to a limited number of enterprises and
d. the manner in which discretion is exercised by the granting authority indicates that the subsidy is not generally available

In subsidy investigations, it is generally the CBSA's policy to determine if a subsidy is specific in relation to all economic sectors within the jurisdiction of the granting authority. However, as an administrative policy, and for purposes of this re-investigation, the CBSA determined if an agricultural subsidy is specific in relation to the agricultural sector as a whole, based on the criteria and conditions for non-specificity and the determination of specificity, which are provided for in subsections 2(7.1) to (7.4) of SIMA.

For purposes of a subsidy re-investigation, the CBSA refers to a subsidy that has been found to be specific as an “actionable subsidy,” meaning that it is subject to countervailing measures if the persons engaged in the production, manufacture, growth, processing, purchase, distribution, transportation, sale, export or import of goods under investigation have benefited from the subsidy.

Financial contributions provided by state-owned enterprises (SOEs) may also be considered to be provided by the government for purposes of this re-investigation. A SOE may be considered to constitute “government” for the purposes of subsection 2(1.6) of SIMA if it possesses, exercises, or is vested with governmental authority. Without limiting the generality of the foregoing, the CBSA may consider the following factors as indicative of whether the SOE meets this standard: 1) the SOE is granted or vested with authority by statute; 2) the SOE is performing a government function; 3) the SOE is meaningfully controlled by the government; or some combination thereof.

Results

Cosun Beet Company (Cosun)

Cosun is the only exporter/producer who provided a complete response to the CBSA's Subsidy RFI. Cosun is a producer of refined sugar in the Netherlands and Germany. Cosun purchases inputs from a related supplier, located in the Netherlands, which also provided a response to the Subsidy RFI.

The CBSA reviewed information provided by Cosun and its related input supplier, as well as the information provided by the EC. All programs reported by Cosun and its related input supplier were found to be non-actionable during the POI. As a result, the amount of subsidy determined for future shipments of subject goods for Cosun is equal to 0 EUR/100 kg, effective on March 30, 2022.

European Union

The EC provided substantial general information about the EU aggregate spending on some programs. Nevertheless, sufficient information has not been provided or is not otherwise available to enable the determination of the amount of subsidy in the prescribed manner pursuant to SIMA. For example, complete information was not provided for all member states. Accordingly, the revised amount of subsidy was determined pursuant to a Ministerial specification pursuant to subsection 30.4(2) of the SIMA. This specification has been updated to reflect the actionable subsidies currently in effect that were identified as a result of the re-investigation.

Despite the fact that the response provided by the EC submission was incomplete, it is the best source of information concerning some of the programs under investigation. As a result, the information contained in the submission was considered by the Canada Border Services Agency (CBSA) in this re-investigation. The Canadian Sugar Institute (CSI) also provided information with documented arguments related to current sugar subsidies, based on public information and the information provided by the EC. The CBSA used information from the EC and the CSI in determining the amount of subsidy in this re-investigation.

For purposes of this re-investigation, the following subsidy programs were found to be specific and therefore actionable:

- Program 1: Direct Payments – Voluntary Coupled Support
- Program 2: Programmes of Options Specifically Relating to Remoteness and Insularity (POSEI)
- Program 3: National Payments for the Sugar Sector
- Program 4: Support for Transporting Sugar Beet
- Program 5: Reduction of Wastewater Tax
- Program 6: Support for Mechanical Eradication of Weed Beet
- Program 7: Grant Guidelines for Sugar Beet Growers
- Program 8: State Aid Under the De Minimis Rule for Sugar Beet Sector
- Program 9: Payments for Agri-Environmental and Climate Commitments
- Program 10: The Jaundice Compensation Scheme
- Program 11: National Aid to the Overseas Sugar Sector
- Program 12: State Aid for Sugar Factories in the French Overseas Departments

As a result of this re-investigation, the CBSA has revised the amount of countervailing duty applicable on subject goods for exporters that have not been issued their own amount of subsidy. A countervailing duty equal to 3.97 EUR/100 kg will be applied to all imports of subject goods originating in or exported from the European Union, released from the CBSA on or after March 30, 2022. The previous rate of countervailing duty of 24.39 EUR/100kg is no longer applicable.

A list of all programs examined as part of the subsidy re-investigation are summarized in Appendix 2.

Exporter responsibility

Please note that exporters with normal values are required to promptly inform the CBSA in writing of changes to domestic prices, costs, market conditions or terms of sale associated with the production and sales of the goods. All parties are cautioned that where there are increases in domestic prices, and/or costs as noted above, the export price for sales to Canada should be increased accordingly to ensure that any sale made to Canada is not only above the normal value but at or above selling prices and full costs and profit of the goods in the exporter's domestic market. Where exporters do not properly notify the CBSA of any such changes, do not adjust export prices accordingly, or do not provide the information required to make any necessary adjustments to normal values and export prices, retroactive assessments of anti-dumping or countervailing duties may be warranted.

Importer responsibility

Importers are reminded that it is their responsibility to calculate and declare their anti-dumping and countervailing duty liability. If importers are using the services of a customs broker to clear importations, the brokerage firm should be advised that the goods are subject to anti-dumping and countervailing measures and be provided with sufficient information necessary to clear the shipments. To determine their liability for anti-dumping and countervailing duty, importers should contact the exporters to obtain the applicable normal values and amounts of subsidy. For further information on this matter, refer to Memorandum D14-1-2, Disclosure of Normal Values, Export Prices, and Amounts of Subsidy Established Under the *Special Import Measures Act* to Importers.

The *Customs Act* applies, with any modifications that the circumstances require, with respect to the accounting and payment of anti-dumping and countervailing duties. As such, failure to pay the duties within the prescribed time will result in the application of the interest provisions of the Act.

Should the importer disagree with the determination made on any importation of goods, a request for re-determination may be filed with the Director General, Trade and Anti-dumping Programs Directorate, 11th Floor, 100 Metcalfe St., Ottawa, Ontario, K1A 0L8. Such a request must be received within 90 days from the making of the determination in the form and manner outlined in Memorandum D14-1-3, Procedures for Making a Request for a Re-determination or an Appeal of Goods Under the *Special Import Measures Act*.

Information

Any questions concerning the above should be directed to:

SIMA Registry and Disclosure Unit
Trade and Anti-dumping Programs Directorate
Canada Border Services Agency
11-100 Metcalfe St
Ottawa ON K1A 0L8

Officers' names and contact information:

Telephone:
Serena Major: 343-553-2004
Rebecca Akuoko-Asibey: 343-553-1411

Email: simaregistry-depotlmsi@cbsa-asfc.gc.ca

Appendix 1: representations

Case arguments were received on behalf of the Canadian Sugar Institute (the Complainant) [1], Cosun Beet Company (Cosun) [2], and the European Commission (EC) [3].

The CBSA received reply submissions on behalf of the Complainant [4], Cosun [5], and the EC [6].

The material issues raised by parties through case briefs are summarized as follows:

Dumping, normal values and ministerial specification

Case briefs

Counsel for the complainant made representations regarding the dumping ministerial specifications. Counsel stated that for all other exporters from the United States, Germany, Denmark, the Netherlands, and the United Kingdom that did not participate in the re-investigation, the ministerial specification of 180% is necessary.

CBSA response

The CBSA did not revise the ministerial specification for dumping as part of this re-investigation. For importations of subject goods originating in/or exported from Denmark, Germany, the Netherlands the United Kingdom and the United States, for which the exporter has not been issued specific normal values, the anti-dumping duty is equal to 180% of the export price.

Normal value re-investigation

Case brief

Counsel for Cosun submitted that Cosun was cooperative during this re-investigation and provided fulsome and comprehensive evidence, responding to Requests for Information (RFIs) and Supplemental Requests for Information (SRFIs). Counsel claimed that sufficient information was provided for the CBSA to determine normal values for Cosun in accordance of section 15 of the SIMA.

Reply submissions

Counsel for Cosun reiterated its position in a reply submission, stating that on the basis of its verified responses to the CBSA, Cosun is entitled to specific normal values.

CBSA response

Cosun provided a complete response to the Dumping and Subsidy RFIs, two supplemental RFIs and desk verification questionnaires, including a database of domestic sales. As a result, future normal values for Cosun were determined in accordance with the methodology of section 15 of the *Special Import Measures Act* (SIMA), based on the company's selling prices of sugar in the Netherlands and Germany.

Subsidy Pass-Through

Case briefs

As part of their case brief, counsel for the complainant argued that there is a 100% pass-through of the benefits of sugar beet subsidies to refined sugar. To support its claim, counsel provided information concerning the relationship between the cultivation of sugar beet and the production of refined sugar, the linkages between sugar beet producers and refined sugar producers, and the financial reality of refined sugar in the European Union (EU).

The EC also provided comments in their case brief concerning pass-through of subsidies. The EC notes that pursuant to General Agreement on Tariffs and Trade and the WTO Agreement on Subsidies and Countervailing Measures (ASCM), Canada is required to demonstrate that there is a pass-through of the benefit conferred to beet farmers to producers of refined sugar.

Reply submissions

In response to the comments provided by the EC in their case brief, counsel for the complainant reiterated its arguments from its own case brief, stating that evidence on the record suggests that in the majority of cases, EU sugar beet growers are not dealing at arm's length with EU refined sugar producers, and demonstrates the unique circumstances of the EU sugar market.

In the EC's reply submission, it reiterated the need for a pass-through analysis and argued that the CSI's claims are incorrect, stating the contractual relationships between sugar beet growers and sugar producers in the EU are not unique. The EC further argued that the CSI's claim that parties are not operating at arm's length is incorrect.

CBSA response

The CBSA conducted the subsidy re-investigation on an aggregate basis, the intention of which was announced at the initiation of the re-investigation. The CBSA notes a lack of participation from exporters in the EU; a response to the Subsidy Request for Information was only received from one exporter in the EU, no other exporters provided a response. In addition, the response received by the EC was incomplete. As a result, the CBSA based its decision on the best information available. Therefore, the amount of subsidy was determined based on a ministerial specification, pursuant to subsection 30.4(2) of the SIMA. Information that was available on the record indicates a high degree of association between sugar beet and cane growers and producers of refined sugar. For these reasons, the CBSA is considering the subsidies to be passed through.

Subsidy issues: special administrative rule for specificity of agricultural subsidies

Case briefs

Counsel for the complainant argued that the CBSA’s special administrative rule for specificity of agricultural subsidies should not be applied in the circumstances of this case. Counsel notes that the rule is not expressly provided for in the SIMA or the ASCM, and given the unique factual circumstances related to the distorting effects of the EU direct payment subsidies, the CBSA should decline to apply the rule. The counsel notes that the special treatment of the agricultural sector under the WTO Agreements noted in the *SIMA Handbook* refers to an article of the Agreement on Agriculture that expired at the end of 2003.

Counsel for Cosun also made representations concerning the special administrative rule, arguing that it is particularly applicable in the case of decoupled support, where the eligibility for a subsidy has no bearing on the agricultural product in issue.

Reply submissions

Counsel for Cosun responded to the complainant’s arguments concerning the administrative rule, arguing that the rule should be applied, and following the complainant’s position would be inconsistent with the CBSA’s past findings.

CBSA response

In subsidy investigations, it is generally the CBSA's policy to determine if a subsidy is specific in relation to all economic sectors within the jurisdiction of the granting authority. However, as an administrative policy, and for purposes of this re-investigation, the CBSA determined if an agricultural subsidy is specific in relation to the agricultural sector as a whole, based on the criteria and conditions for non-specificity and the determination of specificity, which are provided for in subsections 2(7.1) to (7.4) of SIMA.

Subsidy issues: voluntary coupled support and decoupled support

Case briefs

Counsel for the complainant made representations concerning the voluntary coupled support (VCS) and decoupled support reported by the EC, alleging that both are specific financial contributions and therefore are countervailable. Counsel further alleged that both programs had production and trade distorting effects. To support this claim, counsel provide information concerning production, prices, and the effects of the subsidization of EU refined beet sugar on Canadian producers. Specifically, counsel alleged the direct payment subsidies have begun to have distorting effects on EU refined sugar production and trade since the removal of the production quotas and export limitation in 2017.

In addition, counsel argued that although VCS subsidies are only granted to certain EU sugar producers and/or in certain EU member states, they have EU-wide market-distorting effects, and therefore should be applicable to all imports of EU refined sugar. Counsel further argued that although the CBSA previously found that decoupled support was not countervailable during the last re-investigation, the CBSA is not bound by its previous decision.

The EC also made representations regarding the decoupled payments. The EC argued that they are paid irrespective of whether the eligible farmer produces or not, and regardless of type and volume of agriculture production. The EC further alleged that decoupled direct payments have no impact on price, and are non-specific.

Counsel for Cosun also addressed decoupled support in its case brief. Counsel argued that decoupled support is not specific, and therefore cannot constitute a countervailable subsidy.

Reply submissions

In response to the case brief filed by the EC, counsel for the complainant reiterated that evidence on the record shows that decoupled support has production and trade-distorting effects with respect to EU refined sugar, and should be considered countervailable.

In response to the complainant’s case brief, the EC reiterated its position that the EU decoupled support is not specific, is not countervailable, and is not trade distortive. The EC disagreed with the complainant’s claims that the distorting effects of CAP came into focus after the removal of the sugar production quotas, stating that the increase in production was due to the increased beet area post production quotas, and the optimal weather conditions.

Counsel for Cosun provided reply submissions reiterating its position that decoupled support cannot be found specific, and disagreeing with the complainant’s position. With respect to VCS, counsel submitted that VCS cannot be countervailed with regards to Cosun specifically, noting that VCS is not paid out in either the Netherlands or Germany, where Cosun is located.

CBSA response

The CBSA reviewed all information on the record, including all programs reported by the EC and member states. The CBSA found the VCS to be a financial contribution under paragraph 2(1.6)(a) of SIMA involving the direct transfer of funds, and specific pursuant to paragraph 2(7.2)(a) of SIMA, as they are limited to the certain agricultural sectors. As a result, an amount for VCS was included in the total amount of subsidy determined for the EU.

With respect to decoupled support, the CBSA found that they are generally available to all agricultural producers, and as a result, the payments were not considered specific and actionable subsidies. Accordingly, the total amount of subsidy determined for this re-investigation did not include an amount for decoupled support.

Subsidy issues: other subsidies

Case briefs

Counsel for the complainant argued that in addition to the programs identified by the EC, member states have also reported subsidy programs that are specific and actionable. Specifically, counsel noted several programs reported by the Governments of France, Finland, Spain, Austria, Czech Republic and Denmark.

CBSA response

The CBSA reviewed all programs reported by the EC and member states to determine whether the programs were actionable. The list of programs examined as part of the subsidy re-investigation can be found in Appendix 2.

Subsidy issues: amount of subsidy

Case brief

The EC made representations regarding the amount of subsidy. The EC argued that since the previous re-investigation in 2014, there have been significant changes to the EU Common Agricultural Policy that has significantly reduced support levels. Specifically, the EU states that the price support scheme, the main component of the amount of subsidy determined during the last re-investigation, no longer exists.

Counsel for Cosun also addressed the reform of the EU Sugar Market in 2017, stating that the price support has been terminated, and as such, cannot constitute a countervailable subsidy.

Reply submission

Counsel for the complainant provided several exhibits in reference to the CBSA’s Expiry Review for Refined Sugar, arguing that the alleged subsidy programs are likely to cause injury or pose a threat of injury towards the Canadian market.

Counsel for Cosun argued that the CSI's arguments are irrelevant to the re-investigations of subsidy levels and that they should be disregarded.

CBSA response

The CBSA reviewed information available on the record, and is satisfied that the price support program found during the previous re-investigation no longer exists. As a result, the amount of subsidy determined for this re-investigation will not include an amount for the price support program. The amount of subsidy determined during this re-investigation was 3.97 EUR/100 kg. The amount determined in the last re-investigation is no longer applicable.

Subsidy issues: amount of subsidy for Cosun

Case brief

Counsel for Cosun made representations concerning the amount of subsidy. Counsel argued that the reported programs received by Cosun and its input supplier have either been terminated, do not confer a benefit upon Cosun, do not apply to the sugar sector, or are not specific, and as a result, are non-actionable, and cannot result in an amount for subsidy for Cosun.

CBSA response

The CBSA reviewed the information provided by Cosun and its related input supplier, as well as the information provided by the EC. All programs reported by Cosun and its input supplier were found to be not specific, and therefore non-actionable. As a result, the amount of subsidy determined for future shipments of subject goods for Cosun is equal to 0 EUR/100 kg.

Procedural issues

Case brief

The EC noted that article 12.8 of the ASCM states *"The authorities shall, before a final determination is made, inform all interested Members and interested parties of the essential facts under consideration which form the basis for the decision whether to apply definitive measures. Such disclosure should take place in sufficient time for the parties to defend their interests."* The EC argued that there was no scheduled disclosure of the essential facts under consideration.

CBSA response

During the re-investigation, all information to be considered by the CBSA is listed on the Exhibit Listing. In addition, parties can request exhibits be provided to them by the SIMA Registry. This satisfies the CBSA's obligation to inform interested members and parties of the essential facts under consideration.

Appendix 2: subsidy programs examined during the re-investigation

Actionable subsidies

The following programs reported by the EC and Member States were found to be actionable subsidies:

Program 1: Direct Payments – Voluntary Coupled Support

Member States may decide to grant Voluntary Coupled Support (VCS) payments only to specific types of farming or specific agricultural sectors that are particularly important for economic and/or social and/or environmental reasons and undergo certain difficulties.

VCS is a production limiting scheme that is designed to limit the distortion of market competition. The potentially eligible sectors are cereals, oilseeds, protein crops, grain legumes, flax, hemp, rice, nuts, starch potato, milk and milk products, seeds, sheep meat and goat meat, beef and veal, olive oil, silkworms, dried fodder, hops, sugar beet, cane and chicory, fruit and vegetables and short rotation coppice.

VCS is considered a financial contribution under paragraph 2(1.6)*(a)* of SIMA involving the direct transfer of funds.

Voluntary Coupled Support is limited to certain agricultural sectors, therefore, this program has been determined to be specific, pursuant to paragraph 2(7.2)(a) of SIMA.

According to the EC, the total amount of aid paid to the sugar sector during the POI under the VCS is EUR 270,393,050. Based on the best available information, on a per metric tonne basis using the corresponding total production figures, the amount of subsidy is 17.91 EUR/tonne, or 1.791 EUR/100 kg.

Program 2: Programmes of Options Specifically Relating to Remoteness and Insularity

The legal basis for the POSEI program is Regulation (EU) No. 228/2013 of the European Parliament and of the Council of 13 March 2013 laying down specific measures for agriculture in the outermost regions of the Union.

The POSEI program provides support to the outermost regions of the EU. The outermost regions of the EU, as identified in Article 349 of the Treaty for the functioning of the European Union (TFEU) include Guadeloupe, French Guyana, Martinique, Réunion, Saint-Barthélemy and Saint-Martin (France), the Azores and Madeira (Portugal) and the Canary Island (Spain).

The POSEI support is considered a financial contribution under paragraph 2(1.6)*(a)* of SIMA involving the direct transfer of funds.

The POSEI program is limited to sugar cane growers and producers in the outermost regions of the EU, therefore, this program has been determined to be specific, pursuant to paragraph 2(7.2)(a) of SIMA.

According to the EC, the total amount of aid applicable to the sugar sector during the POI under the POSEI program is EUR 106,101,139. Based on the best available information, on a per metric tonne basis using the corresponding total production figures, the amount of subsidy is 7.03 EUR/tonne, or 0.703 EUR/100 kg.

Program 3: National Payments for the Sugar Sector (Finland)

Article 214 of Regulation (EU) No 1308/2013 of the European Parliament and of the Council on the common organization of the markets in agricultural products provides measures allowing Finland to make national payments of up to EUR 350 per hectare per marketing year to sugar beet growers.

National Payments for the Sugar Sector in Finland is considered a financial contribution under paragraph 2(1.6)*(a)* of SIMA involving the direct transfer of funds.

This program is limited to the sugar beet growers, therefore, this program has been determined to be specific, pursuant to paragraph 2(7.2)(a) of SIMA.

According to the Government of Finland, the amount of aid payable to the sugar sector in each 2020 and 2021 is EUR 3,940,000. Based on the best available information, on a per metric tonne basis using the corresponding total production figures, the amount of subsidy is 0.39 EUR/tonne, or 0.039 EUR/100 kg.

Program 4: Support for Transporting Sugar Beet (Finland)

Sections 7(1) and 15(3) of the Act on National Aid for Agriculture and Horticulture (1559/2001) allow for the provision of support for transporting sugar beet in Finland. Sugar beet growers with contracts are able to receive compensation for the costs of transporting sugar beet from the farm to the factory. The support is provided to ensure the continuity of sugar beet production in Finland.

Support for Transporting Sugar Beet is considered a financial contribution under paragraph 2(1.6)*(a)* of SIMA involving the direct transfer of funds.

This program is limited to sugar beet growers, therefore, this program has been determined to be specific, pursuant to paragraph 2(7.2)(a) of SIMA.

According to the Government of Finland, the amount of aid paid to the sugar sector in 2020 was EUR 1,060,000, and the amount budgeted for 2021 is EUR 1,000,000. Based on the best available information, on a per metric tonne basis using the corresponding total production figures, the amount of subsidy is 0.1 EUR/tonne, or 0.01 EUR/100 kg.

Program 5: Reduction of Wastewater Tax (Denmark)

This scheme grants an 80% reduction of the Danish wastewater tax on amounts due above DKK

30,000 to companies in the following six production sectors: cellulose, vitamin, organic pigment production, fish processing, sugar and pectin. This includes companies active in the production of cane and beet sugar from sugar cane and sugar beet. The aim of the aid is to contribute to a high overall reduction of the discharge of pollutants.

The Reduction of Wastewater Tax program is considered a financial contribution under paragraph 2(1.6)*(b)* of SIMA in that amounts that would otherwise be owing and due to the government are reduced and/or exempted, and would confer a benefit to the recipient equal to the amount of the reduction/exemption.

This program is limited to the six sectors noted above, therefore, this program has been determined to be specific, pursuant to paragraph 2(7.2)(a) of SIMA.

According to the Government of Denmark, the sugar sector benefited from DKK 1.7 million under this program in 2020. Based on the best available information, on a per metric tonne basis using the corresponding total production figures, the amount of subsidy is 0.02 EUR/tonne, or 0.002 EUR/100 kg.

Program 6: Support for Mechanical Eradication of Weed Beet (Czech Republic)

The Czech Republic has a support program for the mechanical eradication of weed beet as a substitute for chemical eradication. The objective of this support is to reduce pesticides by replacing them with mechanical disposal. Beet growers can apply for support under this program.

Support for Transporting Sugar Beet is considered a financial contribution under paragraph 2(1.6)*(a)* of SIMA involving the direct transfer of funds.

This program is limited to sugar beet growers, therefore, this program has been determined to be specific, pursuant to paragraph 2(7.2)(a) of SIMA.

According to the Government of the Czech Republic, the amount of aid paid under this program in 2020 was CZK 69.6 million, and the amount budgeted for 2021 is CZK 200 million. Based on the best available information, on a per metric tonne basis using the corresponding total production figures, the amount of subsidy is 0.49 EUR/tonne, or 0.049 EUR/100 kg.

Program 7: Grant Guidelines for Sugar Beet Growers (Austria)

The Grant Guidelines for Sugar Beet Growers is a one-time measure used to mitigate the increased expenses of a massive occurrence of pests on sugar beet areas in 2021. The grant served to support the farmers in their plant protection measures and for them to be able to re-cultivate the area. In order to receive the support, the agricultural holding must have had at least 0.5 hectares of sugar beet area that was damaged by massive pest infestation in 2021, which had been replanted with sugar beet by June 9, 2021.

The Grant Guidelines for Sugar Beet Growers is considered a financial contribution under paragraph 2(1.6)*(a)* of SIMA involving the direct transfer of funds.

This program is limited to sugar beet growers, therefore, this program has been determined to be specific, pursuant to paragraph 2(7.2)(a) of SIMA.

According to the Government of Austria, the sugar sector benefited from EUR 48,400 under this program in 2021. Based on the best available information, on a per metric tonne basis using the corresponding total production figures, the amount of subsidy is 0.002 EUR/tonne, or 0.0002 EUR/100 kg.

Program 8: State Aid Under the De Minimis Rule for Sugar Beet Sector (Spain)

This aid is covered by the de minimis rules laid down in Commission Regulation (EC) No 1408/2013 of 18 December 2013. The objective of the aid is to support the sugar beet sector within the framework of the aid line established to alleviate crisis situations in agricultural and livestock holdings. This crisis was part of the difficult situation experienced by the European sugar beet sector since the end of production quotas and the health crisis caused by the COVID 19 pandemic. This situation caused a major imbalance in the market and a prolonged fall in sugar prices, which had a negative impact on the price paid to farmers, which was below production costs. The aid is granted in three of five Autonomous Communities of Spain, and the granting authorities are the respecting Autonomous Communities.

The State Aid Under the De Minimis Rule for Sugar Beet Sector is considered a financial contribution under paragraph 2(1.6)o of SIMA involving the direct transfer of funds.

This program is limited to sugar beet growers, therefore, this program has been determined to be specific, pursuant to paragraph 2(7.2)(a) of SIMA.

According to the Government of Spain, the sugar sector benefited from EUR 750,140 under this program during the POI. Based on the best available information, on a per metric tonne basis using the corresponding total production figures, the amount of subsidy is 0.05 EUR/tonne, or 0.005 EUR/100 kg.

Program 9: Payments for Agri-Environmental and Climate Commitments (Spain)

Under the EAFRD Measures in Spain, support is given under the Agri-Environmental and Climate Commitments program to producers of agro-industrial crops or extensive annual crops which include sugar beet. This measure aims to preserve and promote the necessary changes to agricultural practices that make a positive contribution to the environment and climate.

Payments for Agri-Environmental and Climate Commitments is considered a financial contribution under paragraph 2(1.6)o of SIMA involving the direct transfer of funds.

This program is limited to sugar beet growers, therefore, this program has been determined to be specific, pursuant to paragraph 2(7.2)(a) of SIMA.

According to the Government of Spain, the sugar sector benefited from EUR 10,332,873 under this program during the POI. Based on the best available information, on a per metric tonne basis using the corresponding total production figures, the amount of subsidy is 0.68 EUR/tonne, or 0.068

EUR/100 kg.

Program 10: The Jaundice Compensation Scheme (France)

In 2020, beet yields in France were negatively affected by an invasion of aphids carrying the jaundice virus, and the absence of neonicotinoid treatment. As a result, the Jaundice Compensation Scheme was implemented to compensate sugar beet farmers for yield losses in 2020. The scheme provides payments to farmers, and is paid under Commission Regulation (EU) No. 1408/2013.

The Jaundice Compensation Scheme is considered a financial contribution under paragraph 2(1.6)*(a)* of SIMA involving the direct transfer of funds.

This program is limited to sugar beet growers, therefore, this program has been determined to be specific, pursuant to paragraph 2(7.2)(a) of SIMA.

According to the Government of France, the maximum amount to be paid under this program is EUR 58,000,000. Based on the best available information, on a per metric tonne basis using the corresponding total production figures, the amount of subsidy is 3.2 EUR/tonne, or 0.32 EUR/100 kg.

Program 11: National Aid to the Overseas Sugar Sector (France)

Article 23(3) of Regulation (EU) No. 228/2013 authorizes France to provide national aid to the sugar sector in the French outermost regions, up to EUR 90 million per marketing year. This aid includes three grants: a lump-sum aid for adaptation of the sugar industries to the reform of the Common Market Organisation (a national complement to the POSEI add), aid for the disposal of sugars or for logistical support, and aid for cane production intended for producers.

The National Aid to the Overseas Sugar Sector is considered a financial contribution under paragraph 2(1.6)*(a)* of SIMA involving the direct transfer of funds.

This program is limited to the French overseas sugar sector, therefore, this program has been determined to be specific, pursuant to paragraph 2(7.2)(a) of SIMA.

According to the Government of France, the amount paid under this program is EUR 86,400,000 per year. Based on the best available information, on a per metric tonne basis using the corresponding total production figures, the amount of subsidy is 8.58 EUR/tonne, or 0.858 EUR/100 kg.

Program 12: State Aid for Sugar Factories in the French Overseas Departments (France)

State aid was implemented for sugar manufacturers in the French overseas departments producing raw sugar intended for refinement, in order to help them cope with the end of the quotas.

State Aid for Sugar Factories in the French Overseas Departments is considered a financial contribution under paragraph 2(1.6)i of SIMA involving the direct transfer of funds.

This program is limited to the French overseas sugar sector, therefore, this program has been determined to be specific, pursuant to paragraph 2(7.2)(a) of SIMA.

According to the Government of France, the amount available for this program is EUR 38,000,000 for three years. Based on the best available information, on a per metric tonne basis using the corresponding total production figures, the amount of subsidy is 1.26 EUR/tonne, or 0.126 EUR/100 kg.

Other subsidy programs investigated

The following programs reported by the EC and Member States were also reviewed in the subsidy re-investigation, but were found not to be countervailable during this POI. As a result, they are not included in the amount of subsidy determined for this re-investigation.

Program 13: Price Support Subsidy

During the most recent re-investigation in 2014, the CBSA found that as part of the EU sugar regime, the EU set a reference price for refined sugar, which was supported by a variety of measures such as production quotas, price monitoring, a carry forward mechanism for surplus sugar, government aid for the storage of surplus sugar, purchases of surplus sugar by EU Member State intervention agencies, and withdrawal of sugar produced under quota to keep price level close to reference price. The CBSA found the domestic price support to be countervailable, and included it in the amount of subsidy determined for the re-investigation.

However, the EU sugar market has undergone major reforms since the last re-investigation, including the elimination of the sugar quota regime in September 2017. As a result of this reform, the price support program has been terminated, and was not available during the POI. Accordingly, the total amount of subsidy determined for this re-investigation will not include an amount for price support.

Program 14: Export Refunds

The legal basis for export refunds is Regulation (EU) No 1308/2013 of the Parliament and of the Council of 17 December 2013 establishing a common organisation of the markets in agricultural products. Article 196 authorizes the EU to grant export refunds to exporters by providing them with payments covering the price difference between the supported EU price level and the world price level.

Export refunds were suspended in 2008, and although the regulation that suspended the export refunds became obsolete in 2014, the EU confirmed its commitment not to grant export refunds for exports of sugar to Canada under the Canadian-European Union Comprehensive Economic and Trade Agreement (CETA).

It is important to note that exports refunds were last paid out in the 2007/2008 marketing year. The CBSA is satisfied that this program has, in practical terms, been eliminated, at least for the foreseeable future. Accordingly, the total amount of subsidy determined for this re-investigation will not include an amount for export refunds.

Program 15: Aid for Private Storage

The legal basis for private storage is Regulation (EU) No 1308/2013 of the Parliament and of the Council of 17 December 2013 establishing a common organisation of the markets in agricultural products, Articles 17-18 authorize the EU to grant private storage aid to respond to particularly difficult market situations or economic developments having a significant impact on the margins of the sector.

Private storage aid has not been implemented for the sugar sector since the 2006 reform. Accordingly, the total amount of subsidy determined for this re-investigation will not include an amount for private storage aid.

Program 16: Safeguard Measures Against Imports

The legal basis for safeguard measures is Regulation (EU) No 1308/2013 of the Parliament and of the Council of 17 December 2013 establishing a common organisation of the markets in agricultural products Article 197 authorizes the EU to take safeguard measures against imports into the union.

Safeguard measures against imports have not been implemented for the sugar sector since the end of the quotas system in 2017. Accordingly, the total amount of subsidy determined for this re-investigation will not include an amount for safeguard measures against imports.

Program 17: Suspension of Processing and Inward Processing Arrangements

The legal basis for this program is Regulation (EU) No 1308/2013 of the Parliament and of the Council of 17 December 2013 establishing a common organisation of the markets in agricultural products. Article 195 authorizes the EU adopt implementing acts fully or partially suspending the use of processing or inward processing arrangements for certain agricultural products.

Suspension of processing and inward processing arrangements measures have not been implemented for the sugar sector since the end of the quotas system in 2017. Accordingly, the total amount of subsidy determined for this re-investigation will not include an amount for suspension of processing and inward processing arrangements measures.

Program 18: Direct Payments – Decoupled Support

Council Regulation (EU) No. 1307/2013 of 17 December 2013 establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy authorizes decoupled direct payments to farmers, including the payments detailed below. These payments are paid irrespective of whether the eligible farmer produces or not, and regardless of type and volume of agriculture production.

Chapter 1, Title III: Basic Payment

The Basic Payment is a compulsory direct payment that offers a basic layer of income support to farmers. It can be granted via two different schemes, the basic payment scheme (BPS) or the single area payment scheme (SAPS). The payment is meant to compensate for the low average income level of the farming sector compared to the rest of the economy, and provide a safety net acting as a buffer to farmers' income stemming from sales on the markets. It is available to all eligible EU farmers, and is a decoupled per-hectare income support.

Chapter 1, Title III: Transitional National Aid

Member States granting the basic payment by way of the single area payment scheme, have the option to provide transitional national aid (TNA). TNA is a complementary income support financed by national funds.

Chapter 3, Title III: Greening Payment

The greening payment is a compulsory scheme, paid as a top up to the basic payment. It requires farmers to observe three practices beneficial for the environment/climate in order to receive the green payment: they have to maintain their permanent grassland with a prohibition to plough up in case of environmentally sensitive permanent grassland in N2000 areas, they have to have at least two or three crops (depending on size of arable land) on their arable land and have to dedicate an area corresponding to 5% of their arable land to biodiversity (with areas such as fallow land, landscape features or catch crops without fertilisers/pesticides).

Chapter 2, Title III: Redistributive Payment

The redistributive payment is an optional scheme, paid as a top up to the basic payment. By implementing this scheme, Member States opt for redistributing direct support between farmers by granting them an extra payment for a certain number of hectares.

Chapter 5, Title III: Young Farmer Payment

The Young Farmer Payment is a compulsory scheme for Member States that is a per hectare top up payment to the Basic Payment. It is available for farmers of no more than 40 years of age who are setting up an agricultural holding as head of the holding for the first time.

Chapter 4, Title III: Direct Payments for Areas with Natural Constraints

Member States may grant a payment to farmers who are entitled to a payment under the basic payment and whose holdings are fully or partly situated in areas with natural constraints designated by Member States in accordance with Article 32(1) of Regulation (EU) No 1305/2013.

Title V: Small Farmer Scheme

The small farmer scheme is a simplified direct payment scheme that replaces all other direct payment schemes a farmer could be entitled to.

Due to the general availability of decoupled payments to all agricultural producers, the CBSA has determined that the payments listed above are not considered specific and actionable subsidies.

Accordingly, the total amount of subsidy determined for this re-investigation will not include an amount for decoupled payments.

Program 19: Eurostars

The Eurostars regulation is implemented by the Ministerial Regulation on National Subsidies granted by the State Secretary for Economic Affairs and Climate Policy (Regeling nationale EZ-subsidies), article 3.7. Eurostars is a funding instrument that supports innovative SMEs and project partners by funding international collaborative R&D and innovation projects. This scheme aims to stimulate SME's to conduct market-oriented technological development. The aim is to accelerate development and growth of small businesses, by shortening time-to-market of new technologies and reducing technical risks.

With respect to specificity, evidence on the record suggests that this program is generally available. Based on the information available, the CBSA has considered that any benefit resulting from this program is not specific and therefore not countervailable. As a result, the total amount of subsidy determined for this re-investigation will not include an amount for this program.

Program 20: EU Horizon

The EU Horizon program is implemented by Regulation (EU) 2021/695 of the European Parliament and of the Council Horizon Europe. This program is the EU’s key funding programme for research and innovation. It tackles climate change, helps to achieve the UN’s Sustainable Development Goals and boosts the EU’s competitiveness and growth.

With respect to specificity, evidence on the record suggests that this program is generally available. Based on the information available, the CBSA has considered that any benefit resulting from this program is not specific and therefore not countervailable. As a result, the total amount of subsidy determined for this re-investigation will not include an amount for this program.

Program 21: WBSO – Promotion of Research and Development Act Reduction (Netherlands)

The regulation concerning the WBSO program is the Regulation of the Minister of Economic Affairs of October 22, 2015, no. WJZ/15116106, containing regulations regarding the R&D contribution reduction. The WBSO program is a tax incentive scheme for innovative companies, that reduces wage costs and other costs and expenses for research and development projects.

With respect to specificity, evidence on the record suggests that this program is generally available. Based on the information available, the CBSA has considered that any benefit resulting from this program is not specific and therefore not countervailable. As a result, the total amount of subsidy determined for this re-investigation will not include an amount for this program.

Program 22: EIA/MIA (Energie-Milieu Investeringsaftrek) (Netherlands)

The regulation concerning the EIA/MIA program is Regulation of the Minister of Economic Affairs and

Climate Policy of December 7, 2020, no. WJZ/20285216. The EIA/MIA program is a tax incentive scheme that includes a deduction in the corporate income tax for qualifying investments in energy efficiency/environmentally friendly investments.

With respect to specificity, evidence on the record suggests that this program is generally available. Based on the information available, the CBSA has considered that any benefit resulting from this program is not specific and therefore not countervailable. As a result, the total amount of subsidy determined for this re-investigation will not include an amount for this program.

Program 23: Innovation Box (Netherlands)

The Innovation Box program is a tax incentive scheme that includes a deduction in the corporate income tax for qualifying investments in energy efficiency/environmentally friendly investments.

With respect to specificity, evidence on the record suggests that this program is generally available. Based on the information available, the CBSA has considered that any benefit resulting from this program is not specific and therefore not countervailable. As a result, the total amount of subsidy determined for this re-investigation will not include an amount for this program.

Program 24: SDE (Netherlands)

The legal basis for the SDE program is General Administrative Order for the Promotion of Sustainable Energy, published in Staatsblad 2011, nr. 548 and Staatsblad 2012, nr. 91. The SDE program provides grants for the production of renewable energy, or application of CO2 reducing techniques. The objective of this program is to progress as cost effectively as possible towards the mandatory European renewable energy target.

With respect to specificity, evidence on the record suggests that this program is generally available. Based on the information available, the CBSA has considered that any benefit resulting from this program is not specific and therefore not countervailable. As a result, the total amount of subsidy determined for this re-investigation will not include an amount for this program.

Program 25: Subsidie Kalversector (Netherlands)

This program encourages the veal sector to participate in voluntary quality systems. As this program relates to the veal sector, and is not applicable to the sugar sector, the amount of subsidy determined for this re-investigation will not include an amount for this program.

Program 26: COVID 19 Crisis Program TVL (Compensation Fixed Costs) (Netherlands)

The TVL program is a COVID crisis program that allowed companies to request compensation for turnover losses as a direct result of the COVID 19 pandemic.

With respect to specificity, evidence on the record suggests that this program is generally available. Based on the information available, the CBSA has considered that any benefit resulting from this program is not specific and therefore not countervailable. As a result, the total amount of subsidy determined for this re-investigation will not include an amount for this program.

Program 27: Compensation for Pupil Guidance (Praktijkleren) (Netherlands)

The regulation concerning the Compensation for Pupil Guidance is Regulation of the Minister of Education, Culture and Science of 31 October 2013, no. WJZ/560472 (10352). The program supports practical learning and improvement of performance of staff. The program provides compensation of costs that an employer incurs for the guidance of a pupil, participant or student.

With respect to specificity, evidence on the record suggests that this program is generally available. Based on the information available, the CBSA has considered that any benefit resulting from this program is not specific and therefore not countervailable. As a result, the total amount of subsidy determined for this re-investigation will not include an amount for this program.

Program 28: Accelerated Climate Investment in Industry (VEKI) (Netherlands)

The VEKI program is a pollution reduction program aimed at reducing CO2 emissions. Its goal is to accelerate the implementation of EU and global climate goals.

With respect to specificity, evidence on the record suggests that this program is generally available. Based on the information available, the CBSA has considered that any benefit resulting from this program is not specific and therefore not countervailable. As a result, the total amount of subsidy determined for this re-investigation will not include an amount for this program.

Program 29: Demonstration Energy and Climate Innovation (DEI) (Netherlands)

The DEI program concerns pilot or demonstration projects. It is a program for entrepreneurs who want to use less energy in their production process, use innovative techniques to reduce CO2 emissions, invest in renewable sources like wind, solar and geothermal energy or create new products or materials using waste on a large scale. These entrepreneurs could apply for a grant for such a pilot project or a demonstration project.

With respect to specificity, evidence on the record suggests that this program is generally available. Based on the information available, the CBSA has considered that any benefit resulting from this program is not specific and therefore not countervailable. As a result, the total amount of subsidy determined for this re-investigation will not include an amount for this program.

Program 30: Transitional National Aid for Agricultural and Food Processing Companies in Difficulty due to the Coronavirus Epidemic (Hungary)

The basic regulation for this program is 20/2020. (VI. 19.) decree laying down general conditions for granting transitional aid to agricultural and food processing companies in difficulty due to a coronavirus epidemic. Temporary transitional support was provided to agricultural and food processing companies to assist in the difficulties caused by the coronavirus epidemic. The support was determined based on the number of employees, and the amount could not exceed HUF 125,000 per employee.

With respect to specificity, evidence on the record suggests that this program is generally available. Based on the information available, the CBSA has considered that any benefit resulting from this program is not specific and therefore not countervailable. As a result, the total amount of subsidy determined for this re-investigation will not include an amount for this program.

Program 31: Precision Related to the Digital Transition of Agriculture Support for Development (Hungary)

Under the Precision Related to the Digital Transition of Agriculture Support for Development program, the Government of Hungary may provide support for investments made by the agricultural sector, including for the acquisition of certain machinery, equipment, tools, etc.

With respect to specificity, evidence on the record suggests that this program is generally available. Based on the information available, the CBSA has considered that any benefit resulting from this program is not specific and therefore not countervailable. As a result, the total amount of subsidy determined for this re-investigation will not include an amount for this program.

Program 32: Processing and Marketing of Agricultural Products (Czech Republic)

The Processing and Marketing of Agricultural Products program provides support to the agricultural sector with the objective of restoring, preserving and improving ecosystems dependent on agriculture through, in particular, agri-environmental measures, investments for competitiveness and innovation of agricultural enterprises, support for the entry of young people into agriculture or landscape infrastructure.

With respect to specificity, evidence on the record suggests that this program is generally available. Based on the information available, the CBSA has considered that any benefit resulting from this program is not specific and therefore not countervailable. As a result, the total amount of subsidy determined for this re-investigation will not include an amount for this program.

Program 33: Insurance Premium Subsidy (Austria)

Under the Hail Insurance Promotion Act, support is given for 55% of the insurance premiums against damages to agricultural crops due to adverse weather conditions and agricultural livestock due to animal epidemic and diseases. This program is used in order to offer farms an even better incentive to take responsibility for their own risk management, and support the farmers sustainably in their risk management.

With respect to specificity, evidence on the record suggests that this program is generally available. Based on the information available, the CBSA has considered that any benefit resulting from this program is not specific and therefore not countervailable. As a result, the total amount of subsidy determined for this re-investigation will not include an amount for this program.

Program 34: Rural Development Program (Poland)

In Poland, general support is given to the agricultural sector, including the following programs:

Modernisation of Agricultural Holdings

Under this program, aid may be given where agricultural producers implement projects supporting competitiveness and profitability of agricultural holdings, in alia, in the area related to the rationalisation of production technology, innovation, change of production profile, increase in production scale, improvement of production quality or increase in the added value of the product.

Investments to Restore Agricultural Production Potential

This program provides aid to owners of agricultural holding affected by adverse climatic events and disasters.

With respect to specificity, evidence on the record suggests that the Rural Development program is generally available. Based on the information available, the CBSA has considered that any benefit resulting from the Rural Development Program is not specific and therefore not countervailable. As a result, the total amount of subsidy determined for this re-investigation will not include an amount for this program.

Program 35: De Minimis Aid (Poland)

De minimis aid is granted in Poland in accordance with the Commission Regulation (EU) No 1408/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid in the agriculture sector. Agricultural producers affected by adverse weather conditions can benefit from de minimis aid.

With respect to specificity, evidence on the record suggests that de minimis aid in Poland is generally available. Based on the information available, the CBSA has considered that any benefit resulting from the de minimis Aid in Poland is not specific and therefore not countervailable. As a result, the total amount of subsidy determined for this re-investigation will not include an amount for this program.

Program 36: Agricultural Insurance System (Spain)

The Spanish Agricultural Insurance System (SAIS) is a public/private system, whereby the farmers transfer the risks affecting their activity to the insurance companies, and the insurance policies are partially subsidized. Its legal basis is the Law on Combined Agricultural Insurance, adopted in 1978 (Law No 87/1978, of 28 December) and the Regulation for the application of Law 87/1978, which was adopted in 1979 (Royal Decree 2329/1979, of 14 September). The SAIS covers the whole range of agricultural productions, all Spanish farmers (regardless of the type of crop) have access to the Agricultural Insurance.

With respect to specificity, evidence on the record suggests that this program is generally available. Based on the information available, the CBSA has considered that any benefit resulting from this program is not specific and therefore not countervailable. As a result, the total amount of subsidy determined for this re-investigation will not include an amount for this program.

Footnotes:

1 EXH 104 (NC) - Case brief filed on behalf of Canadian Sugar Institute

2 EXH 102 (NC) - Case brief filed on behalf of Cosun Beet Company

3 EXH 105 (NC) - Case brief filed on behalf of the European Commission

4 EXH 110 (NC) - Reply submission filed on behalf of the Canadian Sugar Institute

5 EXH 108 (NC) - Reply submission filed on behalf of Cosun Beet Company

6 EXH 106 (NC) - Reply submission filed on behalf of the European Commission

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