

History of the Governmental Affairs Program

❖ Initial Growers Wanted Free Market

- Subsidized crops grown before - planted pistachios to get away from government programs

❖ Hostage Crisis in Iran -1979 Changed Everything

- Jimmy Carter placed embargo on all things Iranian
- Grower price jumped 65% due to embargo (\$1.24 in 1978 to \$2.05 in 1980)

History of the Governmental Affairs Program

❖ Reagan Removed Embargo in 1981

- Iranian imports flooded market
- Grower price declined 53% by 1984
(\$2.05 in 1980 to \$0.98 in 1984)

History of the Governmental Affairs Program

❖ **Events Persuaded Early Growers to Take Action**

- Iranian pistachios were subsidized and dumped.
- US industry headed for disaster due to low prices from unfair competition.

The Tariffs

❖ Countervailing (CV) = Subsidy

➤ Means country illegally subsidized industry

❖ Don't ask about the difference between legal and illegal subsidies.

❖ Free fertilizer and tractors okay, but many other things are not.

The Tariffs

❖ Subsidy

- Exporting country sells product in foreign market at lower price than in their own domestic market.
- During 1984, pistachios were brought in at \$1.25 to \$1.50, while sold in Tehran for \$3.00.



**HISTORY OF US
PISTACHIO INDUSTRY
UNFAIR TRADE DUTIES**

ORIGINAL INVESTIGATIONS: 1985 -1986

RAW PISTACHIOS

Antidumping Duty Raw	184.28 %*	<i>Final Results - July 17, 1986</i>
Subsidy Duty Raw	99.52%	<i>Final Results - March 11, 1986</i>
Combined AD and Subsidy Duties	283.80 %	

* 241.14% was the original duty assessed by the Department of Commerce, but this figure was reduced by the amount of existing export subsidies - 56.86%

ROASTED PISTACHIOS

CVD Duty Roasted	317.89%	<i>Final Results - October 7, 1986</i>
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There is no antidumping duty on roasted pistachios. The industry would have had to wait a year to prove injury and may not have been able to do so because there were few roasted imports at the time.

FINAL RESULTS OF CHALLENGES TO EXISTING UNFAIR TRADE DUTIES SINCE PARTIAL EMBARGO LIFTING IN 2000

RAW PISTACHIOS

Duties Applying to Nima Trading Company:

New Shipper Review of Subsidy Duty	23.18%	<i>Final Results – January 31, 2003</i>
New Shipper Review of AD Duty	144.05%	<i>Final Results – January 3, 2003</i>
Combined AD and Subsidy Duties NSR	167.23%*	

*This duty only applies to pistachios that Nima Trading Company purchases from Fallah Pistachio. Fallah Pistachio is a small grower of pistachios in Iran. It is estimated Fallah Pistachio produces approximately 45,000 pounds of pistachios per year.

Administrative Review of Dumping Duty	18.74%	<i>Final Results – February 7, 2005</i>
Administrative Review of Subsidy Duty	0.00%	<i>Final Results – September 7, 2005</i>
Combined AD and Subsidy Duties	18.74%*	

*This duty is a combination rate that only applies to pistachios exported by Nima Trading Company and purchased from Razi Farms (2003 Razi Farms production was approximately 80,000 pounds).

FINAL RESULTS OF CHALLENGES TO EXISTING UNFAIR TRADE DUTIES SINCE PARTIAL EMBARGO LIFTING IN 2000

RAW PISTACHIOS (Continued)

Duties Applying to Rafsanjan Pistachio Producers Cooperative (RPPC):

Administrative Review of Subsidy Duty	49.77%*	<i>Final Results – April 4, 2003</i>
Combined AD and Subsidy Duties	290.91%*	

*This subsidy duty must be combined with the 241.14% dumping duty established in 1986.

NOTE: Raw pistachios that entered during the 2002 period of review required to pay 60.77% duty.

ROASTED PISTACHIOS

Duties Applying to Nima Trading Company:

New Shipper Review of Subsidy Duty	21.68%*	<i>Final Results – January 31, 2003</i>
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* This duty applies only to pistachios that Nima Trading Company purchases from Fallah Pistachio. Fallah Pistachio is a small grower of pistachios in Iran. It is estimated that Fallah Pistachio produces approximately 45,000 pounds of pistachios per year.

Sunset Review

- ❖ First hearing for pistachios held October, 2005.
- ❖ Reviews held every 5 years.
- ❖ During 1999 Embargo, Commission got legislation passed to delay first review.
- ❖ Successfully defended tariffs, resulting in 6-0 USITC vote to continue AD on raw pistachios from Iran.

Other Accomplishments – Always Forward Thinking

- ❖ Opening markets for exports
 - Japan, Europe, Israel, Canada, Mexico, many others at zero or close to zero duty now.
 - Canadian aflatoxin inspection program
 - Israeli country-of-origin testing
- ❖ Initial supporters of TEA/MAP/MPP program
 - Millions of dollars received by pistachio industry for export marketing.