



Producer Subsidy Questionnaire

Transition review of countervailing measures

Case TS0002: Rainbow trout originating in Turkey

Case reference number:	TS0002
Period of Investigation (POI):	1 January 2019 – 31 December 2019
Injury period:	1 January 2016 – 31 December 2019
Deadline for response:	22/05/2020
Contact details:	Vincent Gibson TS0002@traderemedies.gov.uk
Completed on behalf of:	<i>Dawnfresh Farming Ltd</i>

When you have completed this form, indicate the **confidentiality** of this document by placing an X in the relevant box below:

Confidential

Non-Confidential – will be made publicly available

Your completed response must comprise of this questionnaire document and the corresponding annex. Please note that you will have to provide **two copies of your response**: both the questionnaire document and the annex must be provided in (1) a **Confidential** and (2) a **Non-Confidential version**. All four files should be returned to TRID using the Trade Remedies Service (www.trade-remedies.service.gov.uk) by 22/05/2020.



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Acronyms

Term	Explanation
CIF	Customs, Insurance and Freight
FIE	Foreign Invested Enterprises
FOB	Free on board
POI	Period of Investigation
SIE	State Invested Enterprises
TRID	Trade Remedies Investigations Directorate
VAT	Value Added Tax
TRY	Turkish Lira
GBP	Pound Sterling
CIF	Cost, Insurance, Freight
DDP	Delivered Duty Paid
HS	Harmonised System



The scope of this review

Goods subject to review

This review covers rainbow trout (*Oncorhynchus mykiss*) originating from Turkey, described as:

- live weighing 1.2 kg or less each, or — fresh, chilled, frozen and/or smoked:
- in the form of whole fish (with heads on), whether or not gilled, whether or not gutted, weighing 1.2 kg or less each, or
- with heads off, whether or not gilled, whether or not gutted, weighing 1 kg or less each, or
- in the form of fillets weighing 400 g or less each.

The goods are currently classifiable within the following commodity code(s) (given only for information):

- 0301 91 90 11,
- 0302 11 80 11,
- 0303 14 90 11,
- 0304 42 90 10,
- 0304 82 90 10,
- 0305 43 00 11.

In this questionnaire, these goods will be referred to as **‘the goods subject to review’**. Any reference to ‘goods subject to review’ in this questionnaire refers to the goods description above, regardless of the commodity code under which they are exported.

Like goods

This questionnaire also asks for information about your company’s production and sales of goods which are **like** the goods subject to review. Any reference to **‘like goods’** in this questionnaire refers to goods produced in the UK or imported to the UK from a country other than Turkey which are like the goods subject to review in all respects, or with characteristics closely resembling them.

Please follow the instructions for each question to provide the appropriate information regarding the like goods or goods subject to review.



Product Control Numbers

TRID uses Product Control Numbers (PCNs) to define and distinguish the different types of products that fall under the goods description above.

PCNs, which come in the form of an **alphanumeric code**, help to create a categorisation system so that comparisons can be made between goods produced in the domestic UK market and those produced in foreign markets.

Characteristic	Explanation	Code
Product Quality	Non-Organic	N
	Organic	O
Pigmentation	Pink	P
	White	W
Type	Live	L
	Fresh/Chilled	C
	Frozen	F
	Smoked	S
Presentation	Whole Fish, weighing 1.2kg or less	1
	Gutted Fish, with head and gills on, weighing 1.2kg or less each	2
	Gutted Fish, with head and gills off weighing 1kg or less each	3
	Fillets (fresh/chilled/frozen) weighing 400g or less each	4
	Fillets (smoked) weighing 400g or less each	5

In this questionnaire and the corresponding annex, you will be asked to construct PCNs representing the different types of products you produce. When stating your PCNs, please do not use any spaces, dashes or other means of separation, and ensure you follow the order of characteristics outlined in the table above. Please use this PCN structure consistently throughout your questionnaire response, including the corresponding spreadsheet annex.



Comments on Product Control Number structure:

Please review the PCN structure shown in the table above and include any comments on the PCN structure in the box provided.

No comments





Instructions

Introduction

The Trade Remedies Investigations Directorate (TRID) of the UK's Department for International Trade will be carrying out a transition review of each trade remedy measure active under the EU system that the United Kingdom (UK) has decided to transition after EU exit. This transition review will consider whether the countervailing measure for the goods subject to review is necessary or sufficient to offset relevant subsidies and whether there would be injury to the UK industry if these measures no longer applied.

A subsidy exists if there is:

- a financial contribution by a foreign authority which confers a benefit on the recipient (usually an industry or business manufacturing goods); or
- a form of income or price support.

Not all subsidies are countervailable (meaning they can be offset through trade remedies). A subsidy is countervailable if it is specific to certain companies or industries (rather than general) and is granted either directly or indirectly for the manufacture, production, export or transport of goods.

We are seeking your cooperation as a domestic producer of the like goods to inform our review of whether the current countervailing measure should be maintained, varied or discontinued. The information your company provides will help us determine a fair and appropriate response.

Please provide all the information requested by 22/05/2020. If you are unable to complete the questionnaire and the corresponding annex within the required time, please contact the Case Team ahead of the deadline using the contact details on the cover of this questionnaire. You should outline the length of extension required and the reasons why. We will notify you of our decision. If we are able to accommodate an extension, a note to explain this will be placed on the public file.

We may need to issue a deficiency notice if we determine that the information supplied in the questionnaire is incomplete or inadequate. We may also send a notice requesting clarification or supplementary information if necessary.

Each time you provide confidential information in the confidential version of your questionnaire, please provide a corresponding non-confidential summary (or a statement of reasons why you cannot provide this) in the non-confidential version of your questionnaire. If you do not submit a corresponding non-confidential summary or a statement of reasons where applicable, we may disregard the information you give us. The following section provides further information on what you need to do.



If you do not complete this questionnaire, you could be found to be non-cooperative. For more details on how this may affect you, please consult our operational guidance on non-cooperation: <https://www.gov.uk/government/publications/the-uk-trade-remedies-investigations-process/an-introduction-to-our-investigations-process#non-cooperation>.

Please contact the Case Team if you have any questions about your response or if you have any difficulties in completing the questionnaire. For general information about trade remedies processes, please visit the following website: <https://www.gov.uk/government/publications/the-uk-trade-remedies-investigations-process/an-introduction-to-our-investigations-process>.

TRID investigates cases under the provisions of the Taxation (Cross-border Trade) Act 2018 and the Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019 as Amended by the Trade Remedies (Amendment) (EU Exit) Regulations 2019.

Preparing confidential and non-confidential copies

You will need to submit one confidential version and one non-confidential version of your questionnaire and the corresponding spreadsheet annex by the due date. **Please ensure that each page of information you provide is clearly marked either “Confidential” or “Non-Confidential” in the header.** It is your responsibility to ensure that the non-confidential version does not contain any confidential information.

Please visit <https://www.gov.uk/government/publications/the-uk-trade-remedies-investigations-process/an-introduction-to-our-investigations-process#handling-confidential-information> for further information on what can be considered confidential and how to prepare a non-confidential version of this questionnaire.

All information provided to TRID in confidence will be treated accordingly and only used for this investigation (except in limited circumstance as permitted by regulation 46 of the Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019) and securely stored. The non-confidential version of your submission will be placed on the public file, which is available on www.trade-remedies.service.gov.uk/public/cases.

Providing information from subsidiaries or associated parties

Section A of this questionnaire includes detailed questions about your company structure. Although this questionnaire is intended for your company, our investigation also covers all subsidiaries and any other associated companies, inside and outside the UK, which are involved in the production, sale, research and development (R&D), distribution and/or supply of the like good and/or goods subject to review.



Please note, both natural persons (individuals) and legal persons (e.g. companies) are considered to be associated where they meet the definition of 'Related Persons' in [Regulation 128 of the Customs \(Import Duty\) \(EU Exit\) Regulations 2018](#).

If any of your subsidiaries or associated companies is also a UK producer of the like goods, they should complete a separate questionnaire.

Where your subsidiaries or associated companies are not producers but are involved in the trade of the like goods and/or goods subject to review, your questionnaire response should include information from those companies.

If you have any queries about this part of the process, please contact the Case Team using the details provided on the cover of this questionnaire.

What happens next

Once you have completed your questionnaire responses and non-confidential versions of documents, you must upload these through our Trade Remedies Service at www.trade-remedies.service.gov.uk. Following this:

- you will receive an email confirming the documents have been uploaded successfully;
- the Case Team will contact you if further information is required;
- the non-confidential responses will be placed on the public file; and
- the Case Team may contact you to arrange a visit to verify the information contained in your responses.

Verifying the information you supply

TRID will verify, as far as possible, the information provided to it. As part of our verification process, we may conduct verification visits. Visits can last several days, during which we will want to speak to management and staff to help establish the completeness, relevance and accuracy of the information provided. Within your response to this questionnaire, please provide all formulas and steps used in your calculations.

To assist the verification of the information you provide, please ensure a record is kept of all material and documentation (including accounting and management records) used to support the completion of this questionnaire and the annex.

If we need to verify information that you provide by visiting your premises, the Case Team will contact you. A verification visits can take several days.

After the verification visit, TRID will prepare a report and share a draft with you. TRID will then ask you to prepare a non-confidential copy of the report for the public record and provide reasons for why any information should be kept confidential.





How to complete this questionnaire

Please read and follow all the instructions carefully. Your company is required to substantiate all claims with relevant data and information. You may be asked to attach supporting documents in appendices to supplement your responses. To assist with verification, please retain all such documents, your completed Excel annex and any calculations made when developing your responses.

Please also note the following points:

- Please refer to the case reference number, TS0002, in any correspondence with TRID.
- Do not leave any questions blank. If the question is not relevant to your organisation, please explain why.
- Please do not add or delete any sheets or remove any rows or columns from the spreadsheet annex.
- If the answer to a question is “zero”, “no”, “none” or “not applicable”, please write this rather than leaving the answer blank.
- Please note that both this document and the corresponding spreadsheet annex must be filled in. Annex are named to correspond to the relevant sections of this questionnaire and must be completed with reference to the instructions provided. If you cannot present the information as requested, please contact your Case Team.
- If we ask for copies of additional documentation, please submit this information as appendices. Please ensure that these appendices are given a corresponding appendix reference in the title of the document and that these are referenced in the boxes provided.
- Any documents not in English or Welsh should be accompanied by an English or Welsh translation.
- Please provide all dates in the format DD/MM/YYYY (e.g. 23/05/2019).
- Identify all units of measurement and currencies used in tables, calculations and lists, if not provided by the corresponding instructions, and use units of measurement consistently (e.g. do not use kg and metric tonnes interchangeably).
- Please ensure that all numbers which represent costs are reported as positive figures (e.g. for costs of £1,300.00 please enter £1,300.00 and not - £1,300.00)
- Please limit all sales/currency/income figures to two decimal places and apply a full point as a decimal separator (decimal point). Use the appropriate currency symbol or abbreviation (e.g. £1,300.00, GBP 1,300.00).
- Provide all costing figures as actual amounts. Where actual amounts cannot be provided and you have reported standard costing instead, please indicate this in the relevant answer, and explain the variance from actual costs, if any.
- For any exchange rate you may list in the annex(es), please submit an appendix proving the date and source for this rate.
- All figures should be reported net of tax unless otherwise stated.



SECTION A: Company structure and operations

A1 – Identity and contact details

1. Please complete the table below, ensuring that the point of contact given has the authority to provide this information:

Legal name of company:	Dawnfresh Farming Ltd
Legal structure (e.g. limited company, sole trader, partnership etc):	Limited company
Year of establishment:	2008
Other operating names:	
Company registration number:	SC344049
Place of registration:	Bothwell Park Industrial Estate, Uddingston, Lanarkshire, G71 6LS
Name (point of contact):	Redacted – contains personal information
Position:	Farming Director
Address:	Bothwell Park Industrial Estate, Uddingston, Lanarkshire, G71 6LS
Telephone No:	Redacted – contains personal information
Email:	Redacted – contains personal information
Website:	

A2 – About your company

1. Please describe the role of your company in the UK market for the like goods and/or goods subject to review (e.g. producer, producer/exporter, producer/importer or producer/distributor).

Dawnfresh Farming is the UK's largest producer of large trout. All of our fish are sold internally to Dawnfresh Seafoods Ltd.

Appendix reference:

2. Please provide details of any changes in the legal form of your business over the past five financial years, for example, mergers, acquisitions and/or sales.

Date	Legal form	Explanation of change
N/A		



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+Add additional rows as required.

3. List and explain all authorisations your company has been required to obtain to produce, sell, or trade the goods subject to review or like goods. These may include licences, permits, or permissions. Indicate if your company is subject to any direct or indirect, quantitative or other, restrictions on any of these activities.

As a farming producer Dawnfresh Farming require several licences in order to produce trout. The key authorisation is the Marine Scotland Aquaculture Production Business licence, which is issued to each company which has all farms stated on the permissions see Appendix DF1A for Dawnfresh. Other authorisations include; SEPA (Scottish Environmental Protection Agency) abstraction & discharge licences Veterinary Medicine Department authorisation for the mixing of medicated feed. Multiple 3rd party independent production accreditation schemes such as the RSPCA Farm Assured Scheme, Quality Trout UK, Global Gap and Integra are also necessary for selling into the UK retail market.

Appendix reference: Appendix DF1A

4. State whether your company is a member of any representative organisations (e.g. trade bodies/associations/Chamber of Commerce). If so, provide a copy of the relevant documentation.

BTA (British Trout Association) and via the BTA there is an associated membership of FEAP (Federation of European Aquaculture Production). The BTA will be submitting a generic submission in support of TS0002 and this will include the relevant documentation.

Appendix reference:

5. If applicable to your company, please attach the latest copy of the following documents:

- articles of association and all related documents;
- business licence; and
- proof of registration of the company with the competent authorities.

Please describe what you are submitting and provide appendix references for your attachments in the box below. Earlier copies from the date of establishment of the company until the present should be available upon request during any verification visit.

Memorandum of Association attached

Appendix reference: DF1



A3 – Organisational structure

Please answer the questions below about the internal structure of your company and any associations with other companies. Both natural persons (individuals) or legal persons (e.g. companies) are associated where they meet the definition of ‘related persons’ in [regulation 128 of the Customs \(Import Duty\) \(EU Exit\) Regulations 2018](#).

1. Please demonstrate in a diagram and explain the legal structure of your company showing the internal hierarchical and organisational structure, all sites/locations and departments involved in the production, sales, research and development (R&D), supply and distribution of the like goods or goods subject to review. Clearly indicate the different production stages carried out by your company.

Dawnfresh Holdings Ltd is the parent company and has significant control of Dawnfresh Seafoods Ltd. Dawnfresh Seafoods Ltd has two fully owned subsidiaries; Dawnfresh Farming Ltd and R R Spink & Sons Ltd.
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Appendix reference: DF16, DF17

2. Please complete **Annex 1 – Associated companies**.
 - Include your company’s worldwide corporate structure and affiliations, including parent companies, subsidiaries and/or other associated companies.
 - If your company is the subsidiary of another company, please give the name of this company, as well as that of your company’s ultimate controlling entity, their registration number(s) and place(s) of registration.
 - Please provide the name, address, email address and telephone number for an appropriate representative from the company.
 - Please list the activities carried out by the company (e.g. manufacturing, administration, sales).
 - Indicate the shareholdings you have in the associated company and the shareholdings that the associated company has in your company.

A4 – Board members and principal shareholders

1. Please complete **Annex 2 – Shareholdings**, providing a list of all your company’s shareholders that owned more than 5% of its shares during the POI. Where known, provide details of their activities. Also include:
 - the composition of the Board of Directors and/or shareholders, including their roles and rights; and
 - your company’s registered capital for the last five financial years.

Please provide this information for your company and for all its predecessor legal entities.

2. Explain your procedure for appointing the members of the Board of Directors.



New board members are proposed within Dawnfresh Holdings Board meetings where the Holdings Board either approve or deny.

Appendix reference:

A5 – Operational links with other companies or persons

1. In the table below, please list any agreements you held with any company/companies located in the UK, Turkey or third countries during the POI. The list should contain all agreements relating to the production, trade, sale, R&D, supply and/or distribution of the like goods and/or goods subject to review or any services related to these; this could include:

- licencing agreements;
- technical patents;
- compensatory agreements,
- sub-contractor agreements; or
- tolling agreements.

Please provide:

- the name and address of the company with which you held these agreements;
- an explanation of the nature of the agreement;
- whether the company is associated to you;
- the company registration number and place of registration; and
- a copy of the agreement.

Company name and address	Nature of agreement	Associated company (Y/N)?	Company registration number	Place of registration
N/A				

Appendix reference:

+Add additional rows as required

A6 – Accounting practices

1. Please give the address where your company's accounting records are kept. If records are maintained in different locations, please indicate which records are kept at which location.

Records address	What records are held?
Companies House Edinburgh Office, 2, 4 th Floor, Edinburgh Quay, 139 Fountainbridge, Edinburgh EH3 9FF	All accounting records

+Add additional rows as required



2. Please give the financial year convention your company uses for its accounts (e.g. 1 January – 31 December). If any changes have occurred with respect to this period or in your accounting practices over the last five financial years, please describe these changes with reference to any restatements in your financial accounts, including dates and reasons for them.

The accounting year covers 12 periods with every quarter being set up as 4-4-5 weeks. This results in different period end dates each year. The new financial year usually begins around the last week in March.

Appendix reference: DF2 – Period Dates

3. Please describe your cost accounting system, including cost centres, standard costs, variances, setting of standards, etc.

Farming operate as per IAS 41 (international accounting standard 41 – Agriculture), whereby appropriate cost is released against each biological asset harvested. The cost of that biological asset is variable due to the nature of agriculture and as such the cost of biological asset changes throughout the year. All costs incurred are captured in the balance sheet each month and released as above when the biological asset is ready for harvest.

Appendix reference:

4. Explain any standard costs that have been provided in this questionnaire. Please state how frequently standard costs are revised and how variances are allocated.

N/A

Appendix reference:

5. For your company and any associated parties, inside and outside the UK, involved in the production, sale, R&D, distribution and/or supply of your like goods, please attach a copy of your audited accounts, including the audited consolidated package if applicable, covering the injury period.

If these audited accounts do not cover the injury period, please submit additional accounts. This may include a statement of financial position; income statement and other comprehensive income; statement of changes in equity; cash-flow statement; notes to the accounts and all reports; and auditor's opinion on these documents.

Audited accounts attached for years 15/16, 16/17, 17/18, 18/19
 Management accounts attached up to December 2019

Appendix reference: DF3-DF7



6. If your accounts are unaudited, please attach a copy of your unaudited financial statements for the injury period.

N/A

Appendix reference:

7. Please attach copies of your statement of financial position reflecting the accounts at the start and at the end of the POI. Also, provide the income statement for the duration of the POI.

See Q5

Appendix reference:

8. Please attach a copy of your company's trial balance (in spreadsheet form) covering the injury period.

Please answer here
Attached

Appendix reference:DF8

9. For your company and any associated parties involved in the production, marketing or sales of the like goods or goods subject to review, please attach copies of relevant management accounts or internal management reports (e.g. profit and loss statement) for the profit centre(s) that includes these goods. Please provide these reports for the injury period

Please answer here
Attached

Appendix reference: DF7, DF9-DF13

10. If your company is part of a group of companies, please also attach a copy of the consolidated accounts of the group for your most recently completed financial year.

Please answer here
Attached

Appendix reference:DF14

11. Please provide a detailed description of your management information system (i.e. the accounting system, the costing system, the payroll system, material management system, warehouse management system) and a brief description of your financial accounting system, and attach:



- your company's chart of accounts;
- a chart showing the main components of your management information system and their links.

Please answer here
Accounting system – Sage 200

Appendix reference: DF15, DF18

12. With reference to the chart provided in the question above, please provide the names of the system(s) you use for financial accounting, sales and production. If you use more than one system, please explain how the systems interact (including whether electronic or manual).

Please answer here
Accounting system – Sage 200

Appendix reference:

13. Describe your accounting methodology, where applicable, for:
- the recognition and/or timing of income and the impact of discounts and rebates, sales returns, warranty claims and intercompany transfers;
 - the depreciation and amortisation method, and the periods used by your company for each class of asset such as intellectual property, plants, buildings, machinery and equipment (including average useful life and the methods for calculating this);
 - provisions for bad or doubtful debts;
 - the accounting treatment of general expenses and the extent to which these are allocated to the cost of goods;
 - the accounting treatment of finance costs and how these are allocated to the cost of goods;
 - costing methods (for example, by tonnes, units, revenue, activity, direct costs, standard costing etc.) and allocation of costs shared with other goods or processes;
 - your inventory valuation methods for raw material, work-in-process, and finished goods, for example First In First Out (FIFO) or weighted average cost;
 - aging/obsolete inventories, your write-off and/or write-down process(es);
 - valuation methods for scrap, by-products or joint products;
 - valuation methods for damaged or sub-standard goods generated at the various stages of production;
 - valuation and revaluation of fixed assets, and the subsequent treatment of excess depreciation/amortisation;
 - treatment of any subsidies or grants;
 - treatment of foreign exchange gains and losses arising from transactions and from the translation of balance sheet items;
 - restructuring costs, costs of plant closure, expenses for equipment not in current use and/or plant shut-downs;



- losses arising from transactions and from the translation of balance sheet items; and
- restructuring costs, costs of plant closure, expenses for equipment not in current use and/or plant shutdowns.

Please answer here

Turnover is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on despatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Costs of fish stock relating to mortalities are expenses to the statement of comprehensive income as they occur. The cost is based on a normal production level.

Fixed assets are valued at Net Book Value (NBV); cost of asset – accumulated depreciation

Costs are taken to the Profit & Loss when incurred as per normal accounting treatment

Losses arising from translation/transactions of Balance Sheet items are expensed through the Profit and Loss as per normal accounting treatment.

Appendix reference:

14. If the accounting practices used by your company have changed over the POI, please explain the changes, including dates and reasons for them.

Please answer here

No change

Appendix reference:



SECTION B: About your goods

B1 – Understanding your like goods

The definition for '[goods subject to review](#)' can be found above in the sub-section by the same name.

We use PCNs to help us compare the goods subject to review and the domestically produced like goods. When you are completing this section, you must apply the PCN system set out in the [Product Control Numbers](#) section above to describe your goods consistently throughout your responses. If you don't use the PCN table correctly, this could limit TRID's ability to use the information you provide.

1. Please complete **Annex 3 – PCN comparison**, describing to what degree all your like goods are comparable to each PCN of the goods subject to review.

In the annex, please detail the goods that you manufacture in the UK which are like the goods subject to review and elaborate on the degree of likeness. As part of this, please provide details of your like goods and the goods subject to review regarding the following characteristics:

- physical likeness, including their production processes, feed used, degree of product differentiation, tariff classification;
- commercial likeness, including the channels of distribution and sale, pricing; and
- other relevant characteristics.

If your company manufactures a range of like goods, list this information for each individual product in the range.

Attach any evidence you have that is relevant. This could take the form of sales brochures, input costs, research papers or any other relevant documentation.

Please answer here

NPC1

Large trout produced in ponds/raceways and lochs.

Pink flesh and non-organic

Appendix reference:

2. If you have identified differences in **Annex 3 – PCN comparison** between the goods subject to review and the like goods you produce, please estimate the difference in cost to make and sell, and sales price difference between each PCN and internal control number in the annex and explain those differences and the effect they have in the text box below. Where applicable, this should be on a per unit basis. Describe how you established your estimations and substantiate with evidence where possible.



Please answer here

Large trout usually sells for Redacted – contains confidential business information% more than portion trout. There are still some key differences between Turkish trout and trout grown in the UK; trout producers in the UK are not allowed to use fish feed containing LAPS (Land animal proteins) which is a cheaper protein ingredient for fish food. Higher labour costs: Scottish rainbow trout producers are subject not only to the minimum living wage requirements but a further set of mandatory employee regulations as set out by the Scottish Agricultural Wages Board. These stipulate far reaching employer expenses which are not shared by other industries outside of agriculture. However, unlike traditional agriculture, Scottish aquaculture is not supported via any form of production subsidy.

Appendix reference:

3. In the text box below, explain the internal coding system your company uses to classify your range of like goods. If your company uses multiple internal reference codes across departments, cross-reference each one with the codes used in the production department, the sales department and the invoice code in the annex. Also, cross-reference your internal coding system with any sales (invoice codes) made via associated companies.

Technical documentation (such as sales catalogues, safety standards, technical data, etc.) should be attached for each product where available.

Please answer here

N/A – All fish are internally transferred to Dawnfresh Seafoods

Appendix reference:

B2 – Understanding the UK market

1. Please explain the end use of the goods subject to review and the like goods. If there are multiple uses for the like goods, list them and, where possible, estimate what proportion of your sales goes to each end use.

Please answer here

Human consumption, food item. We do not directly sell the product, this is undertaken by Dawnfresh Seafoods Limited who in turn process and sell onto the retailers). A large volume of our large trout is sold to the UK consumers via the multiples as trout fillets, portions or added value fillet based products.

Appendix reference:

2. Provide a general description of the UK market for the goods subject to review and the like goods, including the nature and conditions of competition within the overall market. In your answer please refer to all of the following points:
 - the nature of competition within the overall market;
 - the degree of price sensitivity;



- the trends and drivers of demand, including causes of demand fluctuations and any factors contributing to overall market growth or decline;
- distribution and marketing;
- general users/consumers/customers;
- the degree of competition between the goods subject to review and the like goods;
- market segmentation;
- government regulation or tax;
- developments in technology affecting the characteristics, demand or the production process of the goods;
- other commercially significant goods that could be substituted for your like goods and the like goods or goods subject to review imported into the UK; or
- any other factors that influence the market (e.g. seasonality).

Please answer here

All fish are sold internally to Dawnfresh Seafoods Ltd. The Dawnfresh Seafoods submission would describe the UK market.

Appendix reference:



SECTION C: Costs and production

C1 – Cost to make and sell

1. Please complete **Annex 4 – Cost to make and sell**.

- Report your total cost to make and sell the like goods domestically.
- Please clearly separate your costs of production (direct manufacturing costs and indirect costs), from your administrative, selling and general expenses (AS&G).
- All values entered in the table should be totals for the POI by PCN.
- Please note that headings of each row (e.g. raw materials, energy, etc) should be adapted to suit the naming conventions of your own cost accounting system.
- When stating labour costs, please ensure you include all labour costs, directly or indirectly incurred by any activity related to the like goods.
- All figures should be reported net of tax.

Note that headings of each row (e.g. raw materials, energy) can be adapted to suit the naming conventions of your own cost accounting system.

2. Please state the cost allocation and apportionment method used for each PCN for the POI, including an explanation of the allocation and apportionment method for each type of cost. If you have applied a method different from your standard allocation or apportionment, please explain the reasons.

Please answer here

N/A

Appendix reference:

3. Please list, and explain, your labour, manufacturing overheads and AS&G costs for domestically sold like goods. Describe the individual components of these costs and provide detail on how these costs are paid.

Please ensure you include the following costs if applicable and report them in a separate row:

- Delivery costs; and/or
- Regulatory compliance costs.

Please answer here

Please see the breakdown, workings and cost category mappings for these in the annex section 4 and Workings – Costs of Production. We are a primary production business and do not have any costs associated with anything beyond production.

Appendix reference: Annex section 4 and Workings.



4. Please list all inputs (e.g. raw materials, energy, labour, etc.) for the production of the like goods including their HS subheadings, where possible. Indicate the source of your inputs and whether they are imported or domestically sourced.

Please answer here

Please see the breakdown, workings and cost category mappings for these in the annex section 6

Appendix reference: Annex section 6

5. If your company is vertically integrated or some of the inputs (e.g. raw materials, energy) used in the production of your like goods are produced by an associated party, provide details of this arrangement and attach documentation demonstrating any agreements you have.

Please answer here

Dawnfresh Farming sell via internal transfer all trout to Dawnfresh Seafoods Ltd.

Appendix reference:

6. If your company incurred any extraordinary costs (such as start-up or ramp up costs) during the POI, please provide details of these costs, explaining why they were extraordinary and how they have been included and amortised/depreciated in your accounts. Please sufficiently detail their nature and effect on the cost of production.

Please answer here

There were no extraordinary costs during POI

Appendix reference:

7. Please provide the depreciation expense, and accumulated depreciation for the POI, in relation to the company overall, and specifically the like goods, as per your financial statements.
Ensure you keep a record of how you calculated the depreciation figure and reconcile the amount to your financial statements.

Please answer here

Please see annex section 4 for depreciation costs as per the 2019 year end accounts.

Appendix reference: Annex Section 4

8. Please explain how you finance your production of like goods, your sources of finance, whether there is any cost of finance associated with the production of like goods, and how you have reported these in **Annex 4 – Cost to make and sell** and your company's accounts.

Please answer here

All finance costs are included within Annex C manufacturing overheads.



Appendix reference:

C2 – Cost reconciliation

The information you provide in this section will help us reconcile the values provided in section C1. Please only fill in white cells and update the formulae as required. If you use any additional formulae to complete the table, please include these. Insert additional columns or rows if needed.

1. Please complete the Cost reconciliation table in **Annex 5 – Cost reconciliation** starting from the bottom of the table:

Cost of production and quantity of like goods during POI:

- For your like goods, enter the cost of production and the quantity produced during the POI as reported in Annex 4. Please provide this information for like goods produced for the domestic market and for the export market.

Cost of production and quantity of all goods during POI:

- If you produce goods other than the like goods, please provide the costs of production and quantity produced for each of these goods during the POI. Please note, that the headings (e.g. “Cost of production/quantity of good A during the POI”, “Cost of production/quantity of good B during the POI”, etc.) should be adapted to suit the names of your goods which are not the like goods.

Total cost of production and total quantity of all goods during POI:

- Please provide the total cost of production and total quantity of all your goods produced during the POI as shown on your management accounts.

If this figure does not reconcile with the totals of the cost of production and quantity data provided for the previous bullet points, the table will show a variance. Please use the text box below to provide an explanation for the shown variance.

Please answer here

Please see annex section 5.

Appendix reference: Annex section 5

Change in finished goods inventory:

- Please provide the change in finished goods inventory for all your goods over the POI by comparing the value of your finished goods inventory at the beginning of the POI with the value of your finished goods inventory at the end of the POI.

Total cost of all goods sold during the POI:

- Please provide your total cost of all goods sold during the POI, as shown on your management accounts.



- If this figure does not reconcile with the sum of the total cost of production of all goods during the POI and the change in finished goods inventory, the table will show a variance. Please use the text box below to provide and explanation for the shown variance.

Please answer here

Our financial year end is March, however the POI is January to December, therefore this is the difference.

Appendix reference:

Difference in total cost of all goods sold between POI and accounting periods:

- If the POI and your accounting period are different, please enter the difference between total cost of all goods sold during the POI and the total cost of all goods sold during the accounting period.

Total cost of all goods sold as shown on your Income Statement:

- Please provide the total cost of all goods sold as shown on your Income Statement of the most recent financial year.
- If this figure does not reconcile with the sum of the total sales revenue of all goods during the POI and the difference in sales revenue of all goods between the POI and the accounting period, the table will show a variance. Please use the text box below to provide and explanation for the shown variance.

Please answer here

Our financial year end is March, however the POI is January to December, therefore this is the difference.

Appendix reference:

2. Please use the text box below to reference any source documentation for the data.

Please answer here

Sage Accounts

Appendix reference:

C3 – Production process

1. Please provide a written summary and a diagram/flow chart of your production process for the like goods that you produce in the UK.

Please answer here



Eggs are purchased and imported from Denmark. Juvenile fish are grown in hatcheries then transferred to Loch sites and harvested at 3.5kg. The fish post harvest are transferred to Dawnfresh Seafoods Uddingston processing plant.

Appendix reference:

- Identify what parts of your production process take place in the UK and explain at what stage the most value is added to your like goods in the production process. Please describe the manufacturing process of the like goods, its level of complexity and the investment of capital involved. If a production process is performed outside the UK, please explain the nature of the activity and where this process step takes place.

Please answer here

All in the UK. The most value is in the lochs where the fish are ongrown.

Appendix reference:

- If you use the same production equipment and machinery for the production of goods other than the like goods, please list these and explain your allocation method.

Please answer here

We do not use the same production equipment and machinery for the production of goods other than like goods.

Appendix reference:

- Please provide the physical addresses (including town/city and county) of all your company's UK sites/facilities involved in the production of the like goods.

Company name	Physical address
Loch Etive Trout Farm	Inverawe, Argyll & Bute, PA35 1HU
Earn Trout Fram	Ardveich Bay, Lochearnhead, FK19 8PX
Tervine Fish Farm	Kilchrenan, Taynuilt, Argyll, PA35 1HE
Braevallich Fish Farm	Argyll, PA33 1BU
Frandy Hatchery	Glendevon, By Dollar, Clackmannanshire, FK14 7JZ
Kinnaird Mill Trout Farm	Brechin, Angus, DD9 6TY
Rocks Lodge Trout Farm	24 Bunderg Road, Newtownstewart, Omagh, BT78 4NQ

Appendix reference:

+Add additional rows as required

C4 – Joint products and by-products

- Please indicate the average waste/scrap ratio resulting from the production process of the like goods.



Please answer here

Average success rate from ova to final product is approximately Redacted – contains company sensitive information%. This varies depending on the quality of the ova batch, the time of year and other unpredictable and uncontrollable environmental factors such as water quality, volume and temperature and the parasitical and bacterial load endemic within the surrounding environment.

Appendix reference:

2. Please explain any waste, scrap or by-products related to the production of the like goods. Please explain:
 - how you differentiate your waste, scrap and by products;
 - what you do with your waste, scrap and by-products;
 - how any income or cost from waste, scrap or by-products is recorded.

Please answer here

We have a Waste Management Policy and Waste Management Procedure which defines how we manage and dispose of our waste products.

Appendix reference:

3. Please explain whether your costs of production (per unit) differ between the like goods and its joint products, if any. Comment on the reason for this difference and explain your method(s) of calculation.

Please answer here

N/A

Appendix reference:

C5 – Raw material and input purchases

1. Please complete **Annex 6 – Raw materials and inputs**, detailing the principal purchases used in the production of the like goods during the POI by your company.
 - Please provide a complete breakdown for any inputs that account for more than 5% of the cost to make and sell your like goods. Please include all purchases of these materials used during the POI.
 - For each reported purchase transaction, describe the direct raw material and its characteristics (e.g. grade, purity).
 - If your energy costs constitute more than 5% of your production costs, please also include energy purchases in the annex.
 - All figures should be reported net of tax.
2. Please provide an invoice and any supporting documents for two of your purchases stated within **Annex 6 – Raw materials and inputs**. Use the box below to give an overview of any supporting documents provided.



Eggs are the key input considered by Dawnfresh Farming Ltd. As part of rearing the product there are husbandry inputs such as feed, oxygen, medication that are included in day to day husbandry.

Appendix reference:

3. If some inputs (e.g. raw materials, energy) used in production of your like goods are produced by your company or an associated party, or your production process is otherwise vertically integrated, please indicate this Annex 6 in the column 'Source'. Provide details of this arrangement in the text box below and attach documentation demonstrating any agreements you have.

Please answer here

During the POI no inputs, raw materials or energy used in the production of our like goods were purchased by our own company or an associated party.

Appendix reference:

4. Please complete **Annex 7 – Purchases of Like goods**, detailing any purchases of the like goods during the injury period by your company.



SECTION D: Sales

D1 – Domestic Sales

1. Please complete **Annex 8 – Transaction by transaction (T by T) domestic sales.**
 - Please report each goods sale on a given invoice with a different PCN or invoice line as a separate transaction
 - These should include all your domestic sales and returns of the like goods and/or goods subject to review for the POI. Include the like goods you have produced and/or goods subject to review goods that you have purchased and resold.
 - All information in a row should refer to the individual PCN displayed in the first column of that row.
 - Please report returns or after invoice discounts as negative (-) sales figures.
 - Please ensure that you correctly categorise each sale by PCN.
 - For transactions or invoices that consist of multiple PCNs, the same invoice number should be referenced.
 - All figures should be reported net of tax.

Please contact the Case Team if you can't provide the relevant information in sufficient detail.

2. Attach sales contracts for the top five customers by volume in Annex 8 – T by T domestic sales that you have sold like goods to in the POI.

Please answer here

All sales are undertaken through Dawnfresh Seafoods Ltd.

Appendix reference:

3. Select examples of domestic sales of like goods to two different customers included in Annex 8 – T by T domestic sales. Attach as an appendix a complete set of documentation for these sales. Where possible, include purchase orders, commercial invoices, order acceptances, discounts or rebates, credit and debit notes, contracts of sale, freight and insurance details, bank documentation and all other relevant documents.

Please answer here

All sales are undertaken through Dawnfresh Seafoods Ltd.

Appendix reference:

D2 – Export Sales

1. Please complete **Annex 9 – Export sales.**
 - These should include all your export sales of like goods for the POI.



- Please ensure that you correctly report your total volume and total value for your export sales per PCN.
- All figures should be reported net of tax.

D3 – Sales Reconciliation

The information you provide in this section will help us reconcile the values provided in sections D1 Domestic sales and D2 Export sales. Please only fill in white cells and update the formulae as required. If you use any additional formulae to complete the table, please include these. Insert additional columns or rows if needed.

1. Please complete **Annex 10 – Sales reconciliation** starting from the bottom of the table.

Sales revenue and quantity of like goods during the POI:

- For your like goods, enter the sales revenue and quantity for domestic and export sales during the POI as reported in Annex 8 and Annex 9.

Sales revenue and quantity of all goods during the POI:

- If you produce goods other than the like goods, please provide the sales revenue and quantity of each of these goods during the POI. Please note, that the headings (e.g. Sales revenue/quantity of good A during the POI, Sales revenue/quantity of good B during the POI, etc.) should be adapted to suit the names of your goods which are not the like goods.

Total sales revenue/quantity of all goods during the POI as stated in your management accounts:

- Please provide the total sales revenue and total quantity of all your goods during the POI as shown on your management accounts.
- If this figure does not reconcile with the totals of the sales revenue and quantity data your provided for the previous bullet points, the table will show a variance. Please use the text box below to provide an explanation for the difference.

Please answer here

All sales are undertaken through Dawnfresh Seafoods Ltd.

Appendix reference:

Difference in total sales revenue of all goods between POI and accounting periods:

- If the POI and your accounting period are different, please enter the difference between the total sales revenue of all goods during the POI and the total sales revenue of all goods during the accounting period.

Total sales revenue of all goods as per Income Statement

- Please provide the total company sales revenue of all goods as shown on your Income Statement of the most recent accounting period/accounting period that covers the majority of the POI.



- If this figure does not reconcile with the sum of the total sales revenue of all goods during the POI and the difference in sales revenue of all goods between the POI and the accounting period, the table will show a variance. Please use the text box below to provide an explanation for the shown variance.

Please answer here

All sales are undertaken through Dawnfresh Seafoods Ltd.

Appendix reference:

2. Please use the text box below to reference any source documentation for the data.

Please answer here

All sales are undertaken through Dawnfresh Seafoods Ltd.

Appendix reference:

3. Additionally, in **Annex 10**, please provide quantitative estimates (e.g. projections or forecasts) for the sales revenue and quantity of like goods as well as all other goods you produce on the UK market for the next five financial years.

D4 – Distribution channels and price setting

1. Please describe the sales procedure from when the order is received to the delivery to the first independent customer, for both, sales made directly and through associated companies.

Please answer here

All sales are undertaken through Dawnfresh Seafoods Ltd.

Appendix reference:

2. Please describe each step in the sales negotiation process, from the first contact with the customer up to and including any after-sale price adjustments (commissions, discounts, rebates and allowances). Include a description of how the process varies for different customer categories.)

Please answer here

All sales are undertaken through Dawnfresh Seafoods Ltd.

Appendix reference:

4. Please provide a list of associated customers who purchase the like goods. Explain the nature of the association and any effect it has on the terms of sale to that customer.

Please answer here

All sales are undertaken through Dawnfresh Seafoods Ltd.



Appendix reference:

5. Attach copies of distributor or agency agreements that you have relating to the sale of like goods.

Please answer here

All sales are undertaken through Dawnfresh Seafoods Ltd.

Appendix reference:

6. Provide copies of price lists for the like goods for POI.

Please answer here

All sales are undertaken through Dawnfresh Seafoods Ltd.

Appendix reference:

7. If any price reductions have been applied to any of your sales of like goods over the POI, please provide a description. This includes discounts, rebates, credit terms, allowances and commissions.

- Explain the terms and conditions that must be met for any price reduction.
- Indicate any price reduction not included in an invoice price. Explain how the invoice price and the price reduction have been calculated.
- If you have issued any credit notes that are not reflected in invoice prices, provide details of the criteria for issuing such notes and the impact that they have on prices (both past and future).

Please answer here

All sales are undertaken through Dawnfresh Seafoods Ltd.

Appendix reference:

8. Please provide details of your distribution network for like goods, if you have one. Do your sales usually include delivery? Explain how you calculate delivery costs and how they vary between customers.

Please answer here

All sales are undertaken through Dawnfresh Seafoods Ltd.

Appendix reference:

D5 – Captive use

1. Complete **Annex 11 – Captive Use**. This should include transaction-by-transaction information for the POI detailing your company's individual transfers of the finished like good for internal use, e.g. further processing, transformation, or assembly, by your company (captive use) or by an associated company (captive sales).



- Please use the PCN table in the section [Product Control Numbers](#) to categorise each of these transfers by PCN.
 - In the destination column, indicate if the transaction was destined for captive use (internal use on your manufacturing site) or captive sales (internal use of your company’s product by an associated party).
 - If the like good was used internally by an associated company, please state its name in the appropriate column. Otherwise, please write not applicable N/A.
 - In the ‘use’ column, specify how the like goods were used by yourself or the associated party.
 - In the ‘value’ column please assign a market value to the like goods transferred.
2. Please comment on whether your captive use of the like goods has changed over time and what has caused any changes. Please attach evidence to support your answer where required.

<i>Please answer here</i>
All sales are undertaken through Dawnfresh Seafoods Ltd.
Appendix reference:

3. Please comment on whether your captive use of the like goods would be affected if the existing countervailing measure on the goods subject to review were to no longer apply? Please attach evidence to support your answer where possible.

<i>Please answer here</i>
All sales are undertaken through Dawnfresh Seafoods Ltd.
Appendix reference:



SECTION E: Injury to your company

1. Is your company suffering material injury? If so, please describe the nature and degree of the material injury. This can relate to the prices, volumes or profits associated with your production and sale of the like goods, or to wider aspects of your business.

Please specify and substantiate your claims with evidence. Please estimate the date when the injury began to affect your business. Explain how it has developed since this date.

Please answer here

We are not currently suffering injury resulting from the import of unfairly subsidised cheap imported Turkish trout because the countervailing duties are currently in place and serving their purpose in rebalancing the appropriate costs of production between Turkish imports of portion rainbow trout and UK produced portion rainbow trout or like products.

If the countervailing duties are removed, the production subsidy that the Turkish producers are receiving, will allow them to export portion trout at prices significantly below those of the current competitive and fair market for portion trout and products that would compete with our large trout within the UK.

Appendix reference:

2. Would your company suffer material injury if the existing countervailing measures on the goods subject to review no longer applied? If so, please describe the nature and degree of the material injury. This can relate to the prices, volumes or profits associated with your production and sale of the like goods, or to wider aspects of your business. Please specify and substantiate your claims with evidence.

Please answer here

If the countervailing duties were to be removed the Turkish imported portion trout would have such a clear price advantage (as shown in the workings below) that this would displace the quality differential and result in the discount retailers choosing Turkish imports over UK produce.

We would need to look at changes in farming procedures (e.g. Stocking densities, removal of pigment, addition of land animal protein in feed) to come more in line with Turkey this would cause additional concern, would over the consumer view of trout as lower standard product entered the market, impacting on our ability to develop Rainbow Trout as a staple fish alongside salmon.

Appendix reference:

3. Would your costs to make and sell change in the next five financial years if the existing countervailing measures on the goods subject to review no longer



applied? Please describe the nature and degree of the change and provide supporting evidence. If possible, please provide annual cost of production estimates (e.g. projections or forecasts) for the next five financial years and use the text box below to explain the methods used to calculate these estimates.

Please answer here

We would need to look at our farming procedures and amend to try and compete on price examples below:

Cheaper feed - less pigment in product, cheaper raw material

Look at reducing our ethical and welfare standards to match cheaper Turkish alternative – land animal protein

Increased stocking densities to try and compare with pricing – more fish in each pen

This devaluation may not even be possible with the current fish welfare, employee welfare, food safety, food quality and environmental impact regulation, in which case the UK produced portion trout would be displaced and UK trout producer would go out of business.

Appendix reference:

4. Please complete **Annex 12 – Injury**. This should be completed in reference to your UK production of the like goods for the injury period. For the following injury factors listed in the annex, please explain how you:
- calculated and apportioned your average net operating profit after tax (NOPAT) for the like goods;
 - calculated and apportioned your interest expense incurred for the like goods;
 - estimated your percentage of market share for the like goods;
 - calculated and apportioned your finance costs (e.g. interest incurred for the like goods);
 - assess your stock levels (if your stock levels were abnormally high during the injury period, please explain why);
 - calculated your production capacity and capacity utilisation for the like goods, and the cause of any significant variations;
 - set your wages, and the causes of any significant variations; and,
 - split your total number of employees involved in the UK manufacture of like goods across different sites /locations.

Please answer here

We are not currently suffering injury resulting from the import of unfairly subsidised cheap imported Turkish trout because the countervailing duties are currently in place and serving their purpose in rebalancing the appropriate costs of production between Turkish imports of portion rainbow trout and UK produced portion rainbow trout.

Appendix reference:

5. Please explain whether any of the indicators listed in **Annex 12 – Injury** would be affected if the existing countervailing measure on the goods subject to review no longer applied. Please substantiate your claims with evidence. Where possible, please add additional rows in **Annex 12 - Injury** to provide estimates for the next



five financial years (e.g. projections or forecasts). Please use the text box below to explain the methods used to calculate your estimates.

Please answer here

Annex 12 Injury has not been populated because there is currently no injury because the countervailing duties are currently in place and serving their purpose. Please see our response above and below for our concerns as to what the impact would be in these were removed.

Appendix reference:

6. For your like goods only, please state what level of profit, before tax and as a percentage of turnover, your company would expect to achieve in the absence of injury and explain how you arrived at this figure.

Please answer here

This is not applicable because there is currently no injury because the countervailing duties are currently in place and serving their purpose, therefore the situation in the absence of injury is the current situation as detailed in the annex and year end accounts.

Appendix reference:

7. Would your level of profit, before tax, as a percentage of turnover for the like goods be affected if the existing countervailing measures on the goods subject to review no longer applied? Please describe the nature of any change and substantiate your claims with evidence.

Please answer here

The margins for UK portion rainbow trout are sufficiently narrow that any reduction in the price paid to us for our portion trout without a proportionate reduction in input costs would make portion trout unviable. This would be the case for all UK portion and large trout producers.

Appendix reference:

8. Explain if your current sales prices for your like goods are the same as your target sales prices. If not, please explain the reasons for this.

Please answer here

N/A – See Dawnfresh Seafoods Ltd.

Appendix reference:

9. Would your sales price for your like goods be affected if the existing countervailing measures on the goods subject to review no longer applied? Please describe the nature of any change and substantiate your claims with evidence.



Please answer here

The removal of the countervailing measures would lead to a sudden influx of cheaper Turkish portion trout available which would undoubtedly reduce the overall price of trout products that compete with large trout (for example fillets) in the UK.

Appendix reference:

10. Please complete **Annex 13 – Investments**.

- Please include information relating to all company-wide investments, which includes investments that relate to the like goods.
- In this context, ‘investment’ refers to capital expenditure or similar, rather than investment in external financial instruments.
- For each investment category, indicate the amount of investment (apportioned, where applicable) and explain what the investment is for.
- Where possible, add additional rows in **Annex 13 – Investments** to provide estimates (e.g. projections or forecasts) for the next five financial years assuming the measure is retained.

Please provide details of your typical source(s) of finance (e.g. loans, debt, share issues, bond issues etc.) for each category of investment relating to your company-wide investments in the text box below.

Please answer here

Appendix reference:

11. Please complete **Annex 14 – Return on fixed assets**

- Indirectly related assets are used in the upstream process for the production of the like goods. For these assets, please explain in the text box below how you apportion the corresponding values to the production of the like good.
- If you are unable to provide information for indirectly related assets, explain the reasons for that. Please describe the effects this has on the level and trend of return.

Please answer here

Appendix reference:

12. Please describe any changes in your company’s level and trends of returns on investment over the injury period. Please explain the nature and cause of these and substantiate with supporting evidence e.g. funding proposals, loan approvals or other relevant financial documents.

Please answer here



There has not been an injury period due to the countervailing measures still being in place.

Appendix reference:

13. Use the text box below to explain what has affected your company's ability to make investments and to raise capital in the injury period. Please describe the nature and cause of this change and substantiate with supporting evidence e.g. funding proposals, loan approvals or other relevant financial documents.

Please answer here

There has not been an injury period due to the countervailing measures still being in place.

Appendix reference:

14. Please also explain whether your company's ability to make investments and ability to raise capital would be affected in the next five financial years if the existing countervailing measures on the goods subject to review no longer applied. Please substantiate your claims with evidence (e.g. company, investment plans, etc.) and if you have provided estimates explain how you calculated them.

Please answer here

The removal of the countervailing measures would lead to a sudden influx of cheaper Turkish portion trout available which would reduce the overall price of trout in the UK. Given the narrow margins in trout production this would need to be matched by a drop in input costs which would not be possible due to UK regulation. Therefore there would be neither the ability to make further investments or raise capital for the purposes of investing in trout production

Appendix reference:

15. Please complete **Annex 15 – Cash flow** for the like goods.

- Ensure the depreciation you state for the POI in this annex matches the figure stated in Annex 5 – Cost to make and sell.
- The figures for inventory should relate to the numbers in the section on stocks in Annex 12 – Injury.

For the injury period, attach any cash flow calculation for the like goods you consider relevant and explain the methods used to calculate these figures.

Please answer here

All sales and cashflow are undertaken through Dawnfresh Seafoods Ltd.

Appendix reference:

16. Explain any differences between your actual and forecasted budgets over the injury period with reference to your cash flow statements.



Please answer here

All sales and cashflow are undertaken through Dawnfresh Seafoods Ltd.
There has not been an injury period due to the countervailing measures still being in place

Appendix reference:

17. Would your actual and forecasted budgets be affected if the existing countervailing measures on the goods subject to review no longer applied? Please describe the nature of any change and substantiate your claims with evidence.

Please answer here

The removal of the countervailing measures would lead to a sudden influx of cheaper Turkish portion trout available which would undoubtedly reduce the overall price of all trout in the UK. This would dramatically reduce both actual and forecast sales and consequently actual and forecast budgets.

Appendix reference:

18. Please complete **Annex 16 – Forward sales contracts**. Describe and attach copies of all forward contracts/ongoing supply agreements for like goods. Comment on these forward contracts for like goods you listed in the annex – are they a usual way of doing business in your industry? Has there been any variation in the volume and value of forward contracts over time? If so, what has caused this variation?

Please answer here

All sales and cashflow are undertaken through Dawnfresh Seafoods Ltd.

Appendix reference:

19. Would your forward sales contracts be affected if the existing countervailing measure on the goods subject to review were to no longer apply? Please describe the nature of any change and substantiate your claims with evidence.

Please answer here

All sales and cashflow are undertaken through Dawnfresh Seafoods Ltd.

Appendix reference:

20. If your business is suffering from material injury, please explain and indicate the degree to which this has been caused by the subsidisation of the goods subject to review. Please also explain and indicate the degree to which any other factors might have caused the material injury, for example:
- volume and prices of imports that have not benefitted from a subsidy;
 - contraction in demand or changes in patterns of consumption;
 - restrictive trade practices of, and competition between, third country and UK producers;
 - developments in technology; and
 - export performance and the productivity of the UK industry.



Please substantiate your claim(s) with evidence.

Please answer here

There has not been any material injury due to the countervailing measures still being in place.

Appendix reference:

21. Would the cause(s) or degree of injury change if the existing countervailing measure on the goods subject to review no longer applied? Please describe the nature of any change and substantiate your claims with evidence.

Please answer here

There has not been any material injury due to the countervailing measures still being in place.

Appendix reference:

22. Is your business under threat of injury? If so, please describe the threat, its cause and how the injury is clearly foreseen and imminent.

Please answer here

As detailed earlier, our business is under threat of injury if the countervailing duties were to be removed.

Appendix reference:

23. Would injury be likely to reoccur if the existing countervailing measure on the goods subject to review were to no longer apply? Please describe the nature and immanency of any threat and substantiate your claims with evidence.

Please answer here

There has not been any material injury due to the countervailing measures still being in place and there should not be any material injury going forward if the countervailing measures are able to remain in place.

Appendix reference:

24. Would there be any other effects on your industry and/or business if the existing countervailing measure on the goods subject to review were to no longer apply? Please substantiate your claims with evidence.

Please answer here

As described and demonstrated above the entire future of the large and portion rainbow trout industry would be under threat if the countervailing measures were to no longer apply. The only route to survival would be to substantially downgrade, potentially in breach of regulations, and reduce the end quality of the product. This



would have associated risks to product quality and food safety as well as livestock and employee welfare and environmental impact.

Appendix reference:



SECTION F: Supplementary questions

F1 – Subsidy

The programmes being considered by this transition review are listed in the table below. Please use this section of the questionnaire to provide any information you have on the programmes listed. You can also provide information on any other subsidy programmes that you believe relate to the production and/or sale of the goods subject to review.

No.	Subsidy name	Subsidy type
1	Direct subsidies to producers of trout (<i>Decree No. 2019/1691</i>)	Grant
2	Direct subsidies to organic producers of trout	Grant
3	Specific support for juveniles' scheme	Grant
4	Subsidised discarding fishing vessels scheme (<i>Article 4 paragraph (9) of the Decree No. 2012/36</i>)	Grant
5	Subsidised insurance scheme	Grant
6	Subsidised consultancy scheme	Grant
7	Subsidised Loans scheme	Loan
8	Subsidised fuel scheme (<i>General Communiqué on Special Consumption Tax Serial No.6 of 31 December 2003</i>)	Tax exemption
9	Investment incentive certificate: – Tax related incentives scheme	Tax exemption
10	Investment incentive certificate: – Social Security Premium Support (SSP) programme	Grant
11	Investment incentive certificate: – Interest support for interest rates paid credit	Loan guarantee
12	Investment incentive certificate: – Land allocation scheme	Provision of goods and services

1. Please provide information on any of the subsidy programmes listed in the table above, or any other subsidy programmes that you believe relate to the production and/or sale of the goods subject to review.

Please answer here

This questionnaire directly relates to the evidence for lower costs of production and evidence of production subsidy for the goods subject to review.



The clear and direct evidence for this is the European Commission's completed and existing investigations into the requirement to continue the countervailing duties imposed by the EU upon Turkish trout entering the EU.

It is our belief, and that of our colleagues within the BTA (British Trout Association) and FEAP (Federation of European Aquaculture Producers) that the European Commission are best placed to provide a thorough, balanced and fair investigation. It is therefore our hope that our own government will take a lead from the European Commission and will retain the countervailing duties as they currently are until such a time as the European Commission has concluded its secondary investigations.

Appendix reference:

F2 – Adjustments

1. If you are aware of any factors, other than the provision of subsidies, that could mean costs or profits of the goods subject to review are not substantially determined by market forces, please provide details and any supporting evidence.

ease answer here

Please refer to the details provided in response to section B1 Q2

The BTA (British Trout Association) will provide additional material within its own generic submission

Appendix reference:

F3 – Economic interest

The economic interest test helps TRID assess the economic impact of a measure compared to what would happen if the existing countervailing measure no longer applied. TRID must consider the following six factors as part of the assessment:

- a) The injury caused to UK industry by the importation of the subsidised goods and the benefits to that industry in removing the injury;
- b) The economic significance of affected industries and consumers in the UK;
- c) The likely impact on affected industries and consumers in the UK;
- d) The likely impact on particular geographic areas, or particular groups, in the UK;
- e) The likely consequences for the competitive environment and for the structure of markets for goods in the UK; and
- f) Other matters that TRID consider relevant.

The questions in this section will contribute to this assessment. Please provide the information requested in this section where relevant and possible for your company.



1. Please provide the names, addresses and telephone numbers of all major known domestic companies that produce the like goods and/or that are involved in the importation, distribution or sale of the goods subject to review.

Please answer here

Redacted – contains company sensitive information

Appendix reference:

2. Please provide an overview of the supply chain for your like goods, from raw materials through to final customers. Where possible, please describe the number, location and size of UK producers at each stage.

Please answer here

Rainbow trout eggs are bought from a supplier in Denmark and are picked based on genetic makeup to ensure we buy trout that will develop into healthy adults.

From egg to fry, our juvenile fish start life at one of our sites in Ireland or Scotland supporting many of jobs in these areas. Once at the right stage of maturity, fish are transported to Loch Earn, Loch Awe and Loch Etive where they develop eventually to 2-5kg. Our trout are fed a rich marine diet that contributes to high omega 3 levels and good nutritional value for the end customer. Our farms are RSPCA accredited and we worked with the RSPCA to develop a standard for trout, leading the way in fish welfare. Our fish swim in an environment that is 98.5% water to 1.5% fish and these low stocking densities mean fish are less prone to health issues, have plenty of room to swim around and develop a strong muscle structure. The fish are then harvested and taken by a Scottish haulier to our factory in Uddingston which supports hundreds of local jobs. This is our centre for primary processing and is where our office support functions such as commercial, finance and planning are primarily based. Our NPD and commercial teams work continuously with retailers in the UK to promote trout products and we are the UK leaders in the trout category.

We process raw fish at this site and also send trout to our smokehouse in Arbroath, R.R Spink & Sons where we employ hundreds of local people. Here we transform our raw trout into Arbroath smoked trout, which ends up in Supermarkets across the UK. We use both local and larger scale hauliers to take our smoked, poached and cooked fish to various retail hubs around the country. We also do a small amount of business back down to our Uddingston site, that is processed into pates and terrines or, is consolidated and goes into smaller scale retail outlets or wholesalers who also stock our raw trout products. The Uddingston site operates similarly on the retail side. On the food service and export sides, fish is generally despatched into DFDS Larkhall from which all the major airline and road carriers can pick up and take either down to Heathrow or to the major UK and EU processing hubs such as Grimsby, Boulogne Sur Mer and Rungis Market. DFDS Larkhall is 20 minutes from our Uddingston site and further supports local jobs as the main fish transportation hub in Scotland.

Appendix reference:



3. Please provide total annual employment figures in FTE (full-time equivalents) for the injury period for all your company’s business activities relating to production of the like goods. Where possible, provide locations for each of your company’s sites or facilities and the corresponding employment subtotals.

Please indicate how these employment figures would be affected, both in terms of the total number and across the locations indicated Section E, Question 4, if the existing countervailing measures no longer applied? Please substantiate your claims with evidence. Where possible, please provide estimates (e.g. projections or forecasts) for the next five financial years and explain the method used to calculate them.

Please answer here

67 FTE are employed by Dawnfresh Farming however many more people are employed by Dawnfresh Seafoods Ltd. The removal of existing countervailing measures would threaten all 67 roles as the business and ongoing production itself would be threatened.

Appendix reference:

4. Please provide total annual median wage figures for all your company’s sites involved in the production of the like goods during the injury period. If you are unable to provide median wages, please provide mean wages.

How would these wages be affected if the existing countervailing measure on the goods subject to review no longer applied? Please substantiate your claims with evidence. Where possible, please provide estimates for the next five financial years (e.g. projections or forecasts) and explain the assumptions made.

Please answer here

Please refer to the answer for question 3 above and the wages costs provided in the annex section 4.

Appendix reference:

5. Please state your domestic market share of the like goods and goods subject to review. Indicate how this share would be affected if the existing countervailing measures were no longer applied? Please substantiate your claims with evidence. Where possible, please provide estimates (e.g. projections or forecasts) for the next five financial years and explain the method used to calculate them.

Please answer here

Please see the Dawnfresh Seafoods Ltd submission – in our opinion the share would go down.

Appendix reference:



6. Please comment on how significant production of the like goods is in relation to your company's entire UK production. Within your response, please state the share of total production value represented by the like goods during the POI.

Please answer here

Dawnfresh Farming has approx. 60% of the UK large trout market share.

Appendix reference:

7. For the like goods please state (by value) the proportion of your total sales that is exported. Please provide these figures for the POI.

Please answer here

All sales are undertaken through Dawnfresh Seafoods Ltd.

Appendix reference:

8. Please indicate who the consumers of the like goods are, which industry and level of trade they relate to and whether they are companies or private individuals. Are the like goods considered to be an intermediate and/or final good?

Please answer here

All sales are undertaken through Dawnfresh Seafoods Ltd.

Appendix reference:

9. Would any other industries, markets or products be affected if the existing countervailing measures on the goods subject to review no longer applied? These could include industry or markets for substitute or complementary products.

Please answer here

UK trout production has an especially large impact on local economies because of the rural nature and position of the production sites.

Appendix reference:

10. Please describe how you would expect the following to be affected if the existing countervailing measures on the goods subject to review no longer applied:
- market price of the like goods in the UK;
 - total UK output of the like goods;
 - total imports of the goods subject to review to the UK; and
 - total exports from the UK.

Where possible, please provide estimates for the next five financial years (e.g. projections or forecasts) to support your claims.

Please answer here



We would expect to see an influx of cheaper, Turkish trout into the UK.

Exports would likely need to increase to try and find premium homes for our trout. This said if we changed the quality of the product to compete with Turkey in the UK this would likely diminish all of our export routes who seek a premium Scottish Trout with a good strong red colour and superior taste.

In turn this would almost certainly cause the UK market price of the like goods to decrease by an amount proportionate to the level of price reduction afforded by the removal of countervailing duties.

This price reduction would be impossible for UK trout producers to absorb with an eventual impact of reducing overall output of UK portion trout, and subsequently UK large trout as fixed overheads would need to be spread across too narrow a cost base to be viable in the long term.

Appendix reference:

11. Do you know of any related industries that would be affected if the existing countervailing measure on the goods subject to review no longer applied?

Please consider in particular:

- upstream industries – those who produce inputs needed for the like goods;
- downstream industries – those who purchase the like goods or goods subject to review.

Please answer here

There is a wide range of upstream and downstream industries that would be affected by this including input suppliers and associated service suppliers such as fish haulage, fish equipment suppliers, rainbow trout processing and packaging suppliers, fish feed suppliers and many more.

Appendix reference:

3. Please describe any impacts on consumers you would expect if the existing countervailing measures on the goods subject to review no longer applied. To what extent would you expect any increase in prices for the like goods or goods subject to review to be passed onto final consumers?

Please answer here

We believe Turkish trout to be an inferior tasting product that would not be well liked by consumers and so if retailers chose to stock it this would be bad overall for the growth of the trout category within UK retail. Our food service customers would also be affected by pressure to keep prices down but would not have access to the same high quality products that they insist on. Consumers would also not get the same health benefits from eating fish raised on a non-marine diet (Omega 3 levels etc). The colour of Turkish trout is also less appealing and is pale, which would therefore make trout less of an obvious substitute for salmon.

There would be a significant reduction in the overall quality of portion rainbow trout and a reduction in the availability of UK produced portion trout and equivalent large trout products.



Given the growing emphasis on food safety, environmental and welfare concerns and consumer confidence this would represent a major set back

Appendix reference:

12. Please explain any effects on your plans for future investment or expansion in the UK if the existing countervailing measures no longer applied. Please state how this would affect different sites/locations of your company and support your claims with evidence.

Please answer here

As stated above, importing cheaper Turkish trout would likely lose us market share and halt several of our growth plans. This includes reviewing plans for further recruitment and investment in our people on which we currently pride ourselves, holding Investors In People Gold accreditation and supporting hundreds of jobs across the UK. Price remains a key driver of demand in the trout market and we would need to cut our overheads and core costs to compete with the Turkish imports which are farmed to lower ethical standards and using cheaper labour.

Appendix reference:

13. The *Equality Act 2010* protects the characteristics listed below. Do you have any evidence to suggest that any of these groups could be disproportionately affected if the existing countervailing measures no longer applied? Please provide evidence to support your answer.

- Age,
- Disability,
- Gender reassignment,
- Marriage or civil partnership,
- Pregnancy and maternity,
- Race,
- Religion or belief,
- Sex, and
- Sexual orientation

Please answer here

no

Appendix reference:

14. In terms of the competitive environment and structure of markets for goods in the UK, please answer the following questions in relation to how the continuation of a trade remedy measure could impact:

- the range of suppliers of the rainbow trout,
- the ability of suppliers of the rainbow trout to compete,
- the incentives for suppliers of the rainbow trout to compete vigorously,
- the choices and information available to consumers?



Please provide evidence to support your answer

Please answer here

The continuation of this trade remedy would help ensure that those operating in the market can continue to survive. The Rainbow Trout market is already fairly large in the UK with several producers operating to a scale that enables them to satisfy consumer needs and demands in the UK. We continue to face heavy competition from imported trout from Ireland, France, Norway and Denmark which puts pressure on prices and forces us to have a point of difference from imported trout, which is our businesses farming and people ethics and our quality as a result. Suppliers of rainbow trout in the UK are incentivized to compete vigorously already as retailers regularly put out tenders for existing business to competing businesses and compare the price of UK grown trout to imported trout. There is also the added pressure of the price of both imported and UK grown salmon with trout prices continually scrutinized against that of salmon.

Appendix reference:

15. Please describe the nature and degree of any regional impacts that you would expect if the existing countervailing measure on the goods subject to review no longer applied.

Please answer here

We would expect to see key ports such as Billingsgate and Grimsby affected by the import of cheaper Turkish trout initially followed by the retailers with whom we work being approached by large scale salmon and trout processors who do not farm their own fish and who have the opportunity to procure inexpensive raw material (trout) from Turkey.

Appendix reference:

16. If there are any additional economic factors that you consider relevant for the economic interest test in this review, please provide details here and any supporting evidence.

Please answer here

Dawnfresh would seek to retain market share in any eventuality. We would need to cut our overheads and costs to compete with the low prices of Turkish trout that we are familiar with in export markets. We would need to decrease the level of pigment and marine protein, substituting with land animal protein to compete on farming costs. We would also likely need to change our stocking densities and review the amount of labour on the farms as we have a higher labour rate in the UK than in Turkey.

Appendix reference:



SECTION G: Next steps and declaration

Next steps

Once you have completed all parts of the questionnaire the declaration on the following page should be signed by an authorised official.

The questionnaire, spreadsheet annex and any appendices should be submitted through the Trade Remedies Service (www.trade-remedies.service.gov.uk) by 22/05/2020. The checklist in Section H of this questionnaire may help ensure your submission is complete.

A confidential and non-confidential version of the questionnaire and the spreadsheet annex must be submitted. You can find guidance on how to complete confidential and non-confidential versions by going to <https://www.gov.uk/government/publications/the-uk-trade-remedies-investigations-process/an-introduction-to-our-investigations-process#non-cooperation>



Declaration

By signing this declaration, you agree that all information supplied in this questionnaire is complete and correct to the best of your knowledge and belief and understand that the information submitted may be subject to verification by TRID.

Company registration number: SC344049
Company name: Dawnfresh Farming Ltd

XXXXX

25/09/20

Date

Signature of authorised official

Company Stamp

XXXXX Farming Director

Name and title of authorised official



SECTION H: Checklist and appendices

This section is an aid to ensure that you have completed all sections of this questionnaire.

Section	Please tick if you have responded to all questions
Section A – Company structure and operations	
Section B – About your goods	
Section C – Costs and production	
Section D - Sales	
Section E – Injury to your company	
Section F – Supplementary questions	
Section G – Next steps and declaration	

+Add additional rows as required

Please list any appendices that you have referenced in your responses and are attaching with this questionnaire.

Appendix reference	Document title
DF1A	APB Licence
DF1	Memorandum of Association
DF2	Period Dates
DF3	Audited Accounts 15-16
DF4	Audited Accounts 16-17
DF5	Audited Accounts 17-18
DF6	Audited Accounts 18-19
DF7	Group Management Accounts
DF8	TB as at December 2019
DF9	Management Accounts Jan 16
DF13	Management Accounts Mar 19
DF14	Management Accounts Mar 20
DF15	Dawnfresh Chart of Accounts
DF16	Group Structure
DF17	Organisation Charts
DF18	Sage 200 User Manual

+Add additional rows as required