

UNITED STATES COURT OF INTERNATIONAL TRADE

VENTURA COASTAL, LLC,

Plaintiff,

v.

UNITED STATES,

Defendant,

and

LOUIS DREYFUS COMPANY  
SUCOS S.A.,

Defendant-Intervenor.

Before: Claire R. Kelly, Judge

Court No. 23-00009  
PUBLIC VERSION

OPINION

[Sustaining Commerce's affiliation redetermination under 19 U.S.C. § 1677(33)(G) and 19 U.S.C. § 1677(33)(C).]

Dated: June 24, 2025

Daniel B. Pickard, Amanda L. Wetzel, Brandon J. Custard, Grace E. Welborn, Claire M. Webster, and Natan Pinchas Lyons Tubman, Buchanan Ingersoll & Rooney PC, of Washington, D.C., for Plaintiff Ventura Coastal, LLC.

Anne M. Delmare, Trial Attorney, Commercial Litigation Branch, Civil Division, of Washington, D.C., for Defendant United States. On the brief were Yaakov M. Roth, Acting Assistant Attorney General, Patricia M. McCarthy, Director, and Tara K. Hogan, Assistant Director. Of Counsel was Jon Zachary Forbes, Office of the Chief Counsel for Trade Enforcement & Compliance, U.S. Department of Commerce, of Washington, D.C.

Gregory J. Spak, Jessica E. Lynd, and Cristina M. Cornejo, White & Case LLP, of Washington, D.C., for Defendant-Intervenor Louis Dreyfus Company Sucos S.A.

Kelly, Judge: Before the Court is the U.S. Department of Commerce's ("Commerce") redetermination pursuant to this Court's remand order, in its less-than-fair-value ("LTFV") investigation of certain lemon juice from Brazil. See Ventura Coastal, LLC v. United States, 736 F. Supp. 3d 1342 (Ct. Int'l Trade 2024) ("Ventura I"); see also Final Results of Redetermination Pursuant to Court Remand, Feb. 14, 2025, ECF No. 92-1 ("Remand Results"); Certain Lemon Juice From Brazil, 87 Fed. Reg. 78,939 (Dep't Commerce Dec. 23, 2022) (final determination) ("Final Results") and accompanying issues and decision memo. ("Final Decision Memo.").

On remand, Commerce continues to find that Louis Dreyfus Company Sucos S.A. ("LDC" or "Defendant-Intervenor") and Supplier A<sup>1</sup> are not affiliated. Ventura Coastal, LLC ("Ventura" or "Plaintiff") argues Commerce's determination that LDC and Supplier A are (1) not affiliated under 19 U.S.C. § 1677(33)(G) and (2) not partners under 19 U.S.C. § 1677(33)(C), are both contrary to law and unsupported by substantial evidence. See Comments in Opp'n to the Final Results of Redetermination Pursuant to Court Remand, Mar. 27, 2025, ECF No. 99 ("Pl. Cmts."). Defendant and Defendant-Intervenor argue Commerce properly determined that (1) LDC and Supplier A do not have a close supplier relationship under 19 U.S.C. § 1677(33)(G), and (2) LDC and Supplier A are not partners under 19 U.S.C. § 1677(33)(C). See Defendant's Reply to Comments on Remand Redetermination,

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<sup>1</sup> LDC's supplier is [[

]] ("Supplier A").

May 5, 2025, ECF No. 110 (“Def. Reply Cmts.”); see also Defendant-Intervenor’s Reply Comments in Support of the Final Results of Redetermination Pursuant to Court Remand, May 5, 2025, ECF No. 112 (“Def. Intv. Cmts.”). For the reasons that follow, Commerce’s Remand Results are sustained.

### **BACKGROUND**

The Court presumes familiarity with the facts as set forth in Ventura I and will only recount those pertinent to the instant matter. See generally Ventura I, 736 F. Supp. 3d 1342. On January 19, 2022, Commerce published its notice of initiation for an antidumping duty investigation into imported lemon juice from Brazil, covering a period of investigation (“POI”) of October 1, 2020, to September 30, 2021. Lemon Juice From Brazil and South Africa, 87 Fed. Reg. 3,768 (Dep’t Commerce Jan. 25, 2022) (initiation of less-than-fair-value investigations); Final Decision Memo. at 1.

Commerce published its Final Results on December 23, 2022, and determined LDC and Supplier A were not affiliated under 19 U.S.C. § 1677(33)(G) and were not affiliated as partners under 19 U.S.C. § 1677(33)(C). Final Decision Memo. at 13. On February 16, 2023, Ventura challenged Commerce’s determination. See Compl., Feb. 16, 2023, ECF No. 14. On November 7, 2024, this Court remanded to Commerce for further explanation and reconsideration as to why Supplier A is not reliant on LDC

because Commerce had only explained why LDC was not reliant on Supplier A.<sup>2</sup> See Ventura I, 736 F. Supp. 3d at 1364. This Court also remanded to Commerce to apply the definition of partners articulated by the Court,<sup>3</sup> as the meaning ascribed by Commerce, as those who jointly own anything or engage in joint selling activities, was inadequate. Ventura I, 736 F. Supp. 3d at 1358—60.

Commerce filed its Remand Results on February 14, 2025. See generally Remand Results. Ventura filed its comments on the Remand Results on March 27, 2025. See Pl. Cmts. Defendant filed its reply to Ventura’s comments on May 2, 2025, and Defendant-Intervenor filed its reply on May 5, 2025. See Def. Reply. Cmts.; Def. Intv. Cmts.

### **JURISDICTION AND STANDARD OF REVIEW**

This Court has jurisdiction pursuant to 19 U.S.C. § 1516a(a)(2)(B)(i) and 28 U.S.C. § 1581(c), which grant the Court authority to review actions contesting the final determination in an investigation of an antidumping duty order. The Court will uphold Commerce’s determination unless it is “unsupported by substantial evidence on the record, or otherwise not in accordance with law.” 19 U.S.C. § 1516a(b)(1)(B)(i). “Substantial evidence is ‘such relevant evidence as a reasonable

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<sup>2</sup> In Ventura I, this Court concluded Commerce addressed the potential reliance of LDC on Supplier A but failed to address any potential reliance of Supplier A on LDC. Ventura I, 736 F. Supp. 3d at 1355.

<sup>3</sup> The Court defined “partners” as “a for profit cooperative endeavor in which parties share in risk and reward.” Ventura I, 736 F. Supp. 3d at 1358.

mind might accept as adequate to support a conclusion.” Huaiyin Foreign Trade Corp. (30) v. United States, 322 F.3d 1369, 1374 (Fed. Cir. 2003) (quoting Consol. Edison Co. v. NLRB, 305 U.S. 197, 229 (1938)). The Court reviews the record made before the agency as a whole and may not supply a reasoned basis for the agency’s action that the agency itself has not given. See 19 U.S.C. § 1516a(b)(1)–(2); SEC v. Chenery Corp., 332 U.S. 194, 196 (1947). The Court will, however, “uphold a decision of less than ideal clarity if the agency’s path may reasonably be discerned.” Bowman Transp., Inc. v. Arkansas-Best Freight Sys., Inc., 419 U.S. 281, 286 (1974). “The results of a redetermination pursuant to court remand are also reviewed ‘for compliance with the court’s remand order.’” Xinjiamei Furniture (Zhangzhou) Co. v. United States, 968 F. Supp. 2d 1255, 1259 (Ct. Int’l Trade 2014) (quoting Nakornthai Strip Mill Public Co. v. United States, 32 CIT 1272, 1274 (Ct. Int’l Trade 2008)).

## **DISCUSSION**

### **I. Commerce’s Affiliation Redetermination**

On remand, Commerce determines that LDC and Supplier A are not affiliates under 19 U.S.C. § 1677(33)(G) because, in addition to LDC not being reliant on Supplier A, Supplier A is not reliant on LDC and neither party controls the other. Remand Results at 3—9. Commerce further determines LDC and Supplier A are not “partners” as provided for in 19 U.S.C. § 1677(33)(C) because Supplier A and LDC are not involved in a “cooperative business endeavor in which they share risk and reward.” Id. at 10—16. Plaintiff argues Commerce (1) ignores record evidence

showing that Supplier A was reliant on LDC's purchases of lemons, (2) fails to consider whether the relationship between Supplier A and LDC impacted the price of the lemons LDC purchased from Supplier A, and (3) minimizes record evidence which shows Supplier A and LDC have a cooperative business endeavor of producing and selling lemons, in which they share risk and reward. Pl. Cmts. at 7—18, 18—22. Defendant and Defendant-Intervenor respond that Commerce properly concludes Supplier A is not reliant on LDC such that neither party controls the other and that Supplier A and LDC are not partners. See Def. Reply Cmts. at 5—15; Def. Intv. Cmts. at 2—13.

**A. Affiliation Under 19 U.S.C. § 1677(33)(G)**

Under 19 U.S.C. § 1677(33)(G), an “affiliated person,” is “[a]ny person who controls any other person and such other person.” 19 U.S.C. § 1677(33)(G). Moreover, a person is considered to control another if the controlling person “is legally or operationally in a position to exercise restraint or direction over the other person.” 19 U.S.C. § 1677(33). When analyzing affiliation under Section 1677(33)(G), Commerce will consider, among other factors, the presence of “close supplier relationships.” 19 C.F.R. § 351.102(b)(3). The legislative history to the statute explains that a “close supplier relationship” is one where “the supplier or buyer becomes reliant upon the other.” Statement of Administration Action for the Uruguay Round Agreements Act, H.R. Rep. No. 103-316 (1994), as reprinted in 1994 U.S.C.C.A.N. 4040, 4174–75 (“SAA”). In evaluating a close supplier relationship,

Commerce may find control sufficient to establish affiliation under Section 1677(33) if the record indicates that “the relationship has the potential to impact decisions concerning the product, pricing or costs” of such merchandise. 19 C.F.R. § 351.102(b)(3);<sup>4</sup> see U.S. Steel Corp. v. United States, 179 F. Supp. 3d 1114, 1132 (Ct. Int’l Trade 2016) (remanding for further consideration and explanation after Commerce failed to analyze whether close supplier relationships made one party reliant on the other through one party’s control over the other).

Commerce’s determination that LDC and Supplier A are not affiliated under 19 U.S.C. § 1677(33)(G) because LDC and Supplier A are not in a “close supplier relationship” and thus neither entity is in control of the other, see Remand Results at 16, is supported by substantial evidence and in compliance with this Court’s

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<sup>4</sup> Commerce's regulations shed further light on the meaning of control in the context of the statute:

“Affiliated persons” and “affiliated parties” have the same meaning as in section [19 U.S.C. § 1677(33)]. In determining whether control over another person exists, within the meaning of [19 U.S.C. § 1677(33)], the Secretary will consider the following factors, among others: Corporate or family groupings; franchise or joint venture agreements; debt financing; and close supplier relationships. The Secretary will not find that control exists on the basis of these factors unless the relationship has the potential to impact decisions concerning the production, pricing, or cost of the subject merchandise or foreign like product. The Secretary will consider the temporal aspect of a relationship in determining whether control exists; normally, temporary circumstances will not suffice as evidence of control.

remand order. Commerce reasonably weighed Supplier A's rights and obligations under its agreement with LDC, in conjunction with the existence of other lemon juice producers and suppliers in the Brazilian market, to conclude (1) Supplier A could enter into a contract with any other lemon juice producer under certain circumstances,<sup>5</sup> and (2) Supplier A could exercise other options available to it under the circumstances.<sup>6</sup> See LDC Sec. D Resp. at Exh. D-3; Remand Results at 19; Draft Results of Redetermination Pursuant to Court Remand at 8, RPD 1, RCD 1 bar code 4697981-01 (Jan. 15, 2025) ("Draft Remand Results"). Further, Commerce did not, as Plaintiff suggests, end its analysis of the close supplier test with its determination that other lemon suppliers exist in the market. See Pl. Cmts. at 8 ("Simply put, the existence of potential other sources is a part of the analysis, it is not – as Commerce appears to believe – the entirety of the close supplier test."). Instead, Commerce uses record evidence concerning the existence of the other suppliers as one factor to assist in developing Commerce's conclusion that Supplier A is not reliant on LDC.<sup>7</sup> See Remand Results at 19, Draft Remand Results at 8.

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<sup>5</sup> Specifically that Supplier A [[

]]. Letter from White & Case LLP, to Sec'y Commerce, re: Certain Lemon Juice from Brazil: Response to Section D of the Antidumping Duty Questionnaire at Exh. D3, PD 116, CD 104—108, bar code 4231456-03 (Apr. 11, 2022) ("LDC Sec. D Resp.).

<sup>6</sup> Specifically Supplier A may [[

]]. LDC Sec. D Resp. at Exh. D-3.

<sup>7</sup> Specifically, [[

]] is meaningful due to the other suppliers in the market with whom Supplier A could [[ ]]. See Remand Results at 5—7; LDC Sec. D Resp. at Exh. D-3.



In addition to the existence of other producers and suppliers in the marketplace, Commerce next analyzed the contract between Supplier A and LDC, to assess whether Supplier A is reliant on LDC. Remand Results at 17—18. Specifically, Commerce analyzed particular contractual provisions defining LDC’s relationship with Supplier A,<sup>8</sup> as well as the lack of record evidence demonstrating Supplier A and LDC are engaged in joint selling activities.<sup>9</sup> Id. at 20—21. Commerce reasons contract exclusivity does not equate with reliance in this case because of confidential contractual provisions that mitigate any potential reliance.<sup>10</sup> Finally,

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<sup>8</sup> Namely, that [[ LDC Sec. D Resp. at Exh. D-3.

<sup>9</sup> Plaintiff faults Commerce for its focus on whether reliance and undue influence existed between the parties. Pl. Resp. at 11. However, Commerce does not mandate that a party be subject to undue influence, rather it analyzes the effect the relationship had on pricing by looking to the terms of the contract, which dictate the prices to be paid, when determining if either party was reliant on the other. See Remand Results at 18. Because this case centers on a contract, Commerce is analyzing whether there was reliance, which logically could include undue influence, at the time the agreement was entered into.

<sup>10</sup> Specifically the [[

]]. LDC Sec. D Resp. at Exh. D-3. Further, Commerce explains that the contract allows Supplier A to [[ ]], so long as Supplier A gives [[ ]] throughout the duration of the agreement. Remand Results at 7. As Commerce points out, it is logical that should LDC decide [[

]]. LDC Sec. D Resp. at Exh. D-3. It is reasonably discernible from the Remand Results that [[ ]] makes the relationship “easily” replaceable, as if the [[ ]] the relationship

Commerce points to the absence of record evidence demonstrating reliance during the negotiation of pricing terms, consistent with 19 C.F.R. § 351.102(b)(3).<sup>11</sup> See Remand Results at 7—8; Draft Remand Results at 5—7; see also 19 C.F.R. § 351.102(b)(3) (control only exists when “the relationship has the potential to impact decisions concerning the production, pricing, or cost of the subject merchandise or foreign like product”). That Ventura offers a different reasonable conclusion based on the record evidence is of no moment.<sup>12</sup> See Consolo v. Fed. Mar. Comm'n, 383 U.S. 607, 620

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would terminate and LDC would be forced to engage another supplier in the marketplace. See Remand Results at 5—7. Further, the [[

]] is meaningful, as record evidence shows that there are several other lemon juice producers and suppliers operating in Brazil. See Antidumping Duty Petition on Imports of Lemon Juice from Brazil: Release of U.S. Customs and Border Protection Data at Attachment, bar code 4199977-01 (Jan. 12, 2022).

<sup>11</sup> Plaintiff also argues Commerce treated the shared ownership factor in its supplier relationship test as dispositive. Pl. Resp. at 12—13. Commerce stated that shared ownership is not a requirement to establish a close supplier relationship, but all record evidence is to be considered when conducting a close supplier relationship analysis. Remand Results at 19. Specifically, Commerce analyzed the lack of record evidence that any exchange of employees or involvement in each other’s inventory monitoring between Supplier A and LDC not as a dispositive factor in its close supplier relationship test, but as a factor in addition to other record evidence such as the [[ ]]] and the existence of other lemon producers and suppliers in the marketplace. See Remand Results at 20—21.

<sup>12</sup> Plaintiff argues that Commerce failed to meaningfully address the [[ ]]] relationship of Supplier A and LDC in its Remand Results. Pl. Resp. at 13—14, 17—18. However, Commerce analyzed the [[ ]]] nature of LDC and Supplier A’s business relationship, concluding that while the relationship is [[ ]]], other record evidence still supports a finding of no affiliation. Remand Results at 22—23. Specifically, Commerce highlights that either party may [[ ]]] and that a [[ ]]]

]] as record evidence heavily favoring Commerce’s finding of no affiliation. See id at 23.

(1966) (finding the possibility that two inconsistent conclusions may be drawn from the evidence does not prevent an agency’s determination from being supported by substantial evidence).<sup>13</sup> Thus, Commerce’s determination that LDC and Supplier A are not affiliated under 19 U.S.C. § 1677(33)(G) is supported by substantial evidence.

**B. Affiliation Under 19 U.S.C. § 1677(33)(C)**

Under 19 U.S.C. § 1677(33)(C), “[p]artners” are “affiliated persons.” 19 U.S.C. § 1677(33)(C). The statute does not define “partners.” Courts exercise independent judgment when deciding the meaning of a statute. Loper Bright Enters. v. Raimondo, 603 U.S. 369, 412 (2024). In doing so, courts use the traditional tools of statutory interpretation, examining the “statute’s text, structure, and legislative history, and apply the relevant canons of interpretation.” Delverde, SrL v. United States, 202 F.3d 1360, 1363 (Fed. Cir. 2000). Further, the plain meaning of a word is ascertained in the context in which it is used in the statute. Yates v. United States, 574 U.S. 528, 537 (2015). In Ventura I, this Court explained the word “partners,” as it appears in

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<sup>13</sup> Plaintiff further argues Commerce “appears to be stating that a close supplier relationship cannot ever [[ ]]” Pl. Resp. at 17. However, Commerce never came to this conclusion. Instead, Commerce considered the fact that after [[

]] indicated that the two companies operate independently and at an arm’s length. See Remand Results at 21—22; see also LDC Sec. D Resp. at Exh. D-3. It is logical that if parties [[ ]] with each other and then [[ ]] that the parties may be operating independently instead of in a close supplier relationship.

19 U.S.C. §1677(33)(C), means “a for profit cooperative endeavor in which parties share in risk and reward.” Ventura I, 736 F. Supp. 3d at 1358.

On remand, Commerce’s determination that LDC and Supplier A are not “partners” under 19 U.S.C. § 1677(33)(C) is supported by substantial evidence and in compliance with this Court’s remand order. Commerce concludes the existence of a contractual relationship alone is insufficient to establish a partnership. Remand Results at 27. The existence of any contract between parties, without more, would not constitute a partnership, otherwise every contract would create a partnership. Although some contracts may create a partnership depending upon the terms of the agreement, here the terms of the contract fail to establish a cooperative business endeavor in which the parties share in risk and reward. Likewise, no record evidence establishes that “the parties have held themselves out externally to be in a cooperative endeavor, that either party has the ability to act on behalf of the other or the alleged partnership, or that either party has obligations beyond the terms of the contract.”<sup>14</sup> Remand Results at 27. It is logical that if Supplier A and LDC had

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<sup>14</sup> Plaintiff asserts that Commerce “appears to require in deed – if not in its words – that the parties hold themselves out publicly as a partnership – [] creates an obligation that goes beyond the plain language of the statute.” Pl. Resp. at 20. However, Commerce does not require that parties hold themselves out publicly as a partnership, but instead concludes there is no record evidence to show that the parties have done so. Remand Results at 27. Commerce weighs the parties’ failure to hold themselves out as partners along with their[] and the absence of record evidence of shared risk and reward as reasons why the parties are independent and not engaged in a cooperative business endeavor. See id at 27–28.

overlap regarding their staffing, or if one party's reputation was tied to the other's there would be record evidence indicating such activities. However, the lack of record evidence indicating any cooperative business endeavor between Supplier A and LDC, beyond the terms of the contractual agreement, leads to the reasonable conclusion that Supplier A and LDC are not partners.<sup>15</sup>

Further, Commerce concludes there is no shared risk or reward between the parties outside the terms of the contract and therefore the parties are not engaged in a cooperative endeavor in which they share risk and reward.<sup>16</sup> Remand Results at 27—28. Certain provisions of the contract have conflicting impacts on Supplier A and LDC,<sup>17</sup> allowing Supplier A to possibly benefit at the expense of LDC and vice versa. See LDC Sec. D Resp. at Exh. D-3. Additionally, the contract allows for additional

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<sup>15</sup> Plaintiff also asserts that Commerce mischaracterizes its argument to mean that the [[ ]] is dispositive alone. Pl. Resp. at 19. Even if Commerce misunderstood Plaintiff's argument, Commerce still adequately analyzed the [[ ]] in conjunction with the independence of the parties and the lack of shared risk and reward when conducting its analysis under 19 U.S.C. § 1677(33)(C).

<sup>16</sup> Specifically, LDC is responsible for [[ ]], putting all the risk on LDC. See LDC Sec. D Resp. at Exh. D-3. Further, [[ ]] meaning that Supplier A does not share in any reward related to a robust harvest. See LDC Sec. D Resp. at Exh. D-3.

<sup>17</sup> Specifically, when market conditions [[ ]], Supplier A may benefit at the expense of LDC; conversely when [[ ]], LDC still must [[ ]] from Supplier A. LDC Sec. D Resp. at Exh. D-3.

remedies if one party breaches the contract.<sup>18</sup> See LDC Sec. D Resp. at Exh. D-3. Thus, Commerce's determination that LDC and Supplier A are not partners under 19 U.S.C. § 1677(33)(C) is supported by substantial evidence on this record.

### **CONCLUSION**

For the foregoing reasons, Commerce's Remand Results are supported by substantial evidence, comply with the Court's remand order, see ECF No. 84, and are therefore sustained. Judgment will enter accordingly.

/s/ Claire R. Kelly  
Claire R. Kelly, Judge

Dated: June 24, 2025  
New York, New York

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<sup>18</sup> The contract specifically allows [[  
other. LDC Sec. D Resp. at Exh. D-3.

]] against the