

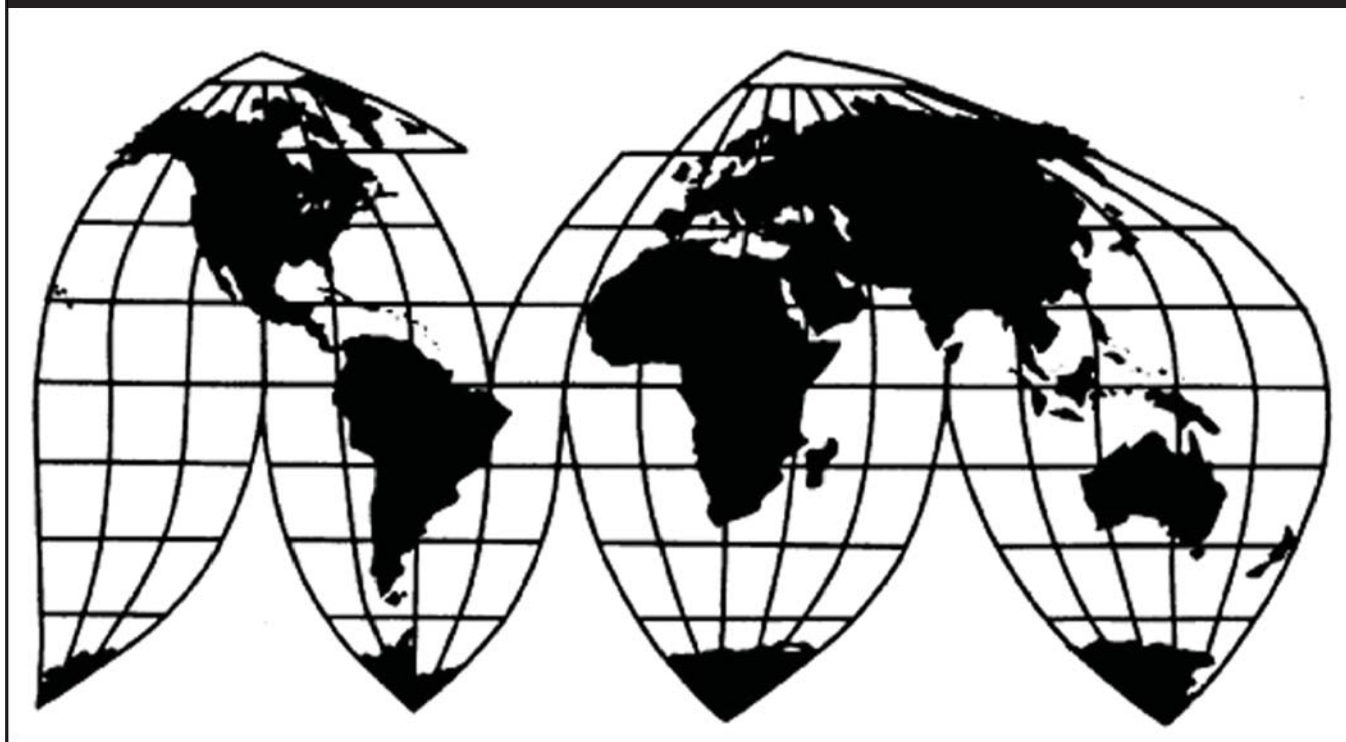
Preserved Mushrooms from Chile, China, India, and Indonesia

Investigation Nos. 731-TA-776-779 (Third Review)

Publication 4557

August 2015

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 731-TA-776-779 (Third Review)

Preserved Mushrooms from Chile, China, India, and Indonesia

DETERMINATION

On the basis of the record¹ developed in the subject five-year reviews, the United States International Trade Commission (“Commission”) determines, pursuant to the Tariff Act of 1930, that revocation of the antidumping duty orders on preserved mushrooms from Chile, China, India, and Indonesia would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.²

BACKGROUND

The Commission, pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)), instituted these reviews on March 2, 2015 (80 F.R. 11221) and determined on June 5, 2015 that it would conduct expedited reviews (80 F.R. 38464, July 6, 2015).

The Commission made these determinations pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)). It completed and filed its determinations in these reviews on August 14, 2015. The views of the Commission are contained in USITC Publication 4557 (August 2015), entitled *Preserved Mushrooms from Chile, China, India, and Indonesia: Investigation Nos. 731-TA-776-779 (Third Review)*.

¹ The record is defined in sec. 207.2(f) of the Commission’s Rules of Practice and Procedure (19 CFR § 207.2(f)).

² All six Commissioners voted in the affirmative.

Views of the Commission

Based on the record in these five-year reviews, we determine under section 751(c) of the Tariff Act of 1930, as amended (“the Tariff Act”), that revocation of the antidumping duty orders on preserved mushrooms from Chile, China, India, and Indonesia would be likely to lead to the continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

I. Background

In November 1998, the Commission determined that an industry in the United States was materially injured by reason of less than fair value (“LTFV”) imports of preserved mushrooms from Chile.¹ In February 1999, the Commission determined that an industry in the United States was materially injured by reason of LTFV imports of preserved mushrooms from China, India, and Indonesia.² The U.S. Department of Commerce (“Commerce”) issued antidumping duty orders with respect to imports from Chile on December 2, 1998,³ and with respect to imports from China, India, and Indonesia on February 19, 1999.⁴ Commerce subsequently revoked the order with respect to one Indonesian producer.⁵

In October 2004, the Commission completed its first five-year reviews of the antidumping duty orders on preserved mushrooms from Chile, China, India, and Indonesia. After conducting full reviews, the Commission determined that revocation of the orders would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.⁶ Commerce, which had previously made affirmative determinations on likely dumping, issued a continuation of the antidumping duty orders on preserved mushrooms from Chile, China, India, and Indonesia on November 8, 2004.⁷

In March 2010, the Commission completed its second five-year reviews of the antidumping duty orders on preserved mushrooms from Chile, China, India, and Indonesia. After conducting expedited reviews, the Commission determined that revocation of the orders would be likely to lead to continuation or recurrence of material injury to an industry in the

¹ *Certain Preserved Mushrooms from Chile*, Inv. No. 731-TA-776 (Final), USITC Pub. 3144 (Nov. 1998) (“*Original Chile Determination*”).

² *Certain Preserved Mushrooms from China, India, and Indonesia*, Inv. Nos. 731-TA-777-779 (Final), USITC Pub. 3159 (Feb. 1999) (“*Original China/India/Indonesia Determination*”).

³ 63 Fed. Reg. 66529 (Dec. 2, 1998).

⁴ 63 Fed. Reg. 8308-12 (Feb. 19, 1999).

⁵ 68 Fed. Reg. 39521 (July 2, 2003).

⁶ *Certain Preserved Mushrooms from Chile, China, India, and Indonesia*, Inv. Nos. 731-TA-776-779 (Review), USITC Pub. 3731 (Oct. 2004) (“*First Five-Year Review Determinations*”). Commissioner Pearson made a negative determination on subject imports from Indonesia. As discussed below, individual Commissioners cumulated different combinations of subject imports.

⁷ 69 Fed. Reg. 67308 (Nov. 17, 2004).

United States within a reasonably foreseeable time.⁸ Commerce, which had previously made affirmative determinations on likely dumping, issued a continuation of the antidumping duty orders on preserved mushrooms from Chile, China, India, and Indonesia on April 28, 2010.⁹

The Commission instituted these reviews on March 2, 2015.¹⁰ The Commission received a joint response to the notice of institution from L.K. Bowman Co., a division of Hanover Foods Corporation; Monterey Mushrooms Inc.; and The Mushroom Company (“domestic interested parties”).¹¹ It did not receive a response to the notice of institution from any respondent interested party. Because the Commission received an adequate response from domestic interested parties accounting for a substantial share of U.S. production of preserved mushrooms, the Commission determined that the domestic interested party group response was adequate. In the absence of an adequate respondent interested party response, or any other circumstances that would warrant full reviews, the Commission determined to conduct expedited reviews.¹²

II. Domestic Like Product and Industry

A. Domestic Like Product

In making its determination under section 751(c) of the Tariff Act, the Commission defines the “domestic like product” and the “industry.”¹³ The Tariff Act defines “domestic like product” as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle.”¹⁴ The Commission’s practice in five-year reviews is to examine the domestic like product definition from the original investigation and prior proceedings and consider whether the record indicates any reason to revisit the prior findings.¹⁵

⁸ *Certain Preserved Mushrooms from Chile, China, India, and Indonesia*, Inv. Nos. 731-TA-776-779 (Review), USITC Pub. 4135 (April 2010) (“*Second Five-Year Review Determinations*”). Commissioner Pearson made a negative determination on subject imports from Indonesia. As discussed below, individual Commissioners cumulated different combinations of subject imports.

⁹ 75 Fed. Reg. 22369 (April 28, 2010).

¹⁰ *Preserved Mushrooms from Chile, China, India, and Indonesia, Institution of Five-Year Reviews*, 80 Fed. Reg. 11221 (March 2, 2015).

¹¹ This response included ***.

¹² *Preserved Mushrooms from Chile, China, India, and Indonesia, Scheduling of Expedited Five-Year Reviews*, 80 Fed. Reg. 38464 (July 6, 2015).

¹³ 19 U.S.C. § 1677(4)(A).

¹⁴ 19 U.S.C. § 1677(10); see, e.g., *Cleo Inc. v. United States*, 501 F.3d 1291, 1299 (Fed. Cir. 2007); *NEC Corp. v. Department of Commerce*, 36 F. Supp. 2d 380, 383 (Ct. Int’l Trade 1998); *Nippon Steel Corp. v. United States*, 19 CIT 450, 455 (1995); *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int’l Trade 1996); *Torrington Co. v. United States*, 747 F. Supp. 744, 748-49 (Ct. Int’l Trade 1990), *aff’d*, 938 F.2d 1278 (Fed. Cir. 1991); see also S. Rep. No. 249, 96th Cong., 1st Sess. 90-91 (1979).

¹⁵ See, e.g., *Internal Combustion Industrial Forklift Trucks from Japan*, Inv. No. 731-TA-377 (Second Review), USITC Pub. 3831 at 8-9 (Dec. 2005); *Crawfish Tail Meat from China*, Inv. No. 731-TA- (Continued...)

Commerce has defined the imported merchandise within the scope of the orders under review as follows:

{C}ertain preserved mushrooms, whether imported whole, sliced, diced, or as stems and pieces. The preserved mushrooms covered under these orders are the species *Agaricus bisporus* and *Agaricus bitorquis*. “Preserved mushrooms” refer to mushrooms that have been prepared or preserved by cleaning, blanching, and sometimes slicing or cutting. These mushrooms are then packed and heated in containers, including but not limited to cans or glass jars in a suitable liquid medium, including but not limited to water, brine, butter or butter sauce. Preserved mushrooms may be imported whole, sliced, diced, or as stems and pieces. Included within the scope of these orders are “brined” mushrooms, which are presalted and packed in a heavy salt solution to provisionally preserve them for further processing.

Excluded from the scope of these orders are the following: (1) All other species of mushroom, including straw mushrooms; (2) all fresh and chilled mushrooms, including “refrigerated” or “quick blanched mushrooms”; (3) dried mushrooms; (4) frozen mushrooms; and (5) “marinated,” “acidified,” or “pickled” mushrooms, which are prepared or preserved by means of vinegar or acetic acid, but may contain oil or other additives.¹⁶

In the original investigations, the Commission found a single domestic like product coextensive with the scope definition. It rejected arguments that fresh mushrooms should be included in the domestic like product on the grounds that there were significant differences between fresh and preserved mushrooms with respect to appearance, flavor, shelf life, channels of distribution, production methods, customer perception, and price.¹⁷ It also rejected arguments that marinated mushrooms should be included in the domestic like product because there were significant differences between the end uses of marinated mushrooms and preserved mushrooms, very limited interchangeability between the two products, and differences in producer and customer perceptions and price.¹⁸

In the first five-year reviews, no party submitted any argument that the Commission should define the domestic like product differently than it did in the original investigations. The Commission again defined a single domestic like product that was coextensive with the scope definition.¹⁹ In the second five-year reviews, the Commission noted that the record in those

(...Continued)

752 (Review), USITC Pub. 3614 at 4 (July 2003); *Steel Concrete Reinforcing Bar from Turkey*, Inv. No. 731-TA-745 (Review), USITC Pub. 3577 at 4 (Feb. 2003).

¹⁶ Issues and Decision Memorandum for the Final Results of Expedited Third Sunset Reviews of the Antidumping Duty Orders on Certain Preserved Mushrooms from Chile, India, Indonesia, and the People’s Republic of China at 2 (June 30, 2015).

¹⁷ *Original Chile Determination*, USITC Pub. 3144 at 4-5.

¹⁸ *Original Chile Determination*, USITC Pub. 3144 at 5-6.

¹⁹ *First Five-Year Review Determinations*, USITC Pub. 3731 at 5.

expedited reviews provided no basis to call into question the Commission's previous definition of the domestic like product, and it again defined a single domestic like product that was coextensive with the scope definition.²⁰

In their response to the notice of institution, the domestic interested parties stated that they agree with the domestic like product definition the Commission adopted in its original investigations and prior reviews.²¹ The record in these expedited reviews provides no basis to call into question the Commission's previous definition of the domestic like product.²² Accordingly, we again define a single domestic like product that is coextensive with the scope.

B. Domestic Industry

Section 771(4)(A) of the Tariff Act defines the relevant industry as the domestic "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."²³ In defining the domestic industry, the Commission's general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.

In their response to the notice of institution, the domestic interested parties stated that they agreed with the definition of the domestic industry the Commission adopted in the original investigations and the first and second five-year reviews.²⁴ In each of the prior proceedings the Commission defined the domestic industry to include all U.S. producers of preserved mushrooms.²⁵

There is one domestic industry issue in these reviews, namely whether growers of fresh mushrooms should be included in the domestic industry pursuant to the statutory grower/processor provision.²⁶ In cases involving processed agricultural products, section

²⁰ *Second Five-Year Review Determinations*, USITC Pub. 4135 at 5.

²¹ Domestic Interested Parties' Response to Notice of Institution at 21.

²² See *generally* Confidential Report ("CR") at I-7-9, Public Report ("PR") at I-5-6.

²³ 19 U.S.C. § 1677(4)(A). The definitions in 19 U.S.C. § 1677 are applicable to the entire subtitle containing the antidumping and countervailing duty laws, including 19 U.S.C. §§ 1675 and 1675a. See 19 U.S.C. § 1677.

²⁴ Domestic Interested Parties' Response to Notice of Institution at 21.

²⁵ In the original investigations and the first and second reviews, the Commission considered whether to exclude any domestic producers from the domestic industry pursuant to the related party provision. In each of those proceedings, certain domestic producers imported the subject merchandise. In each proceeding, the Commission determined that appropriate circumstances did not exist to exclude those producers from the domestic industry. *Original Chile Determination*, USITC Pub. 3144 at 8-9; *Original China/India/Indonesia Determination*, USITC Pub. 3159 at 5; *First Five-Year Review Determinations*, USITC Pub. 3731 at 7-8; *Second Five-Year Review Determinations*, USITC Pub. 4135 at 6-7.

²⁶ There is no information on the record indicating that there are any related party issues in these reviews. In response to the notice of institution, the domestic interested parties state that none of them is related to a foreign producer/exporter or to an importer of the subject merchandise, and that (Continued...)

771(4)(E) of the Tariff Act authorizes the Commission to include growers of a raw agricultural input within the domestic industry producing the processed agricultural product if:

(a) the processed agricultural product is produced from the raw product through a single continuous line of production,²⁷ and

(b) there is a substantial coincidence of economic interest between the growers and producers of the processed product based upon the relevant economic factors.²⁸

The Commission did not include growers of fresh mushrooms in the domestic industry in the original investigations or the first and second five-year reviews. In each of these proceedings, the Commission determined that the statutory requirement that “the processed agricultural product *** produced from the raw agricultural product through a single continuous line of production” was not satisfied.²⁹ This was because only a small percentage of fresh mushrooms was processed in any manner.³⁰

It remains the case that only a minority of fresh mushrooms produced in the United States are processed in any manner. Only about 13 percent of the 2013-14 mushroom crop was sold for processing.³¹ The legislative history and prior Commission decisions indicate that the “continuous line of production” prong of the statutory test for including growers in the domestic industry is satisfied only if nearly the entire yield of the raw agricultural product is

(...Continued)

none of the “participating producers” imported subject merchandise during the period of review. Domestic Interested Parties’ Response to Notice of Institution at 21. In addition to the three domestic interested parties that collectively responded to the notice of institution, there are two other domestic producers of certain preserved mushrooms, Giorgio and Sunny Dell Foods, Inc. *Id.* at 18. There is no information in the record as to whether either of these two firms is a related party.

²⁷ The statute provides that the processed product shall be considered to be processed from the raw product in a single, continuous line of production if:

(a) the raw agricultural product is substantially or completely devoted to the production of the processed agricultural product; and

(b) the processed agricultural product is produced substantially or completely from the raw product. 19 U.S.C. § 1677(4)(E)(ii).

²⁸ In addressing coincidence of economic interest under the second prong of the test, the Commission may, in its discretion, consider price, added market value, or other economic interrelationships. Further:

(a) if price is taken into account, the Commission shall consider the degree of correlation between the price of the raw agricultural product and the price of the processed agricultural product; and

(b) if added market value is taken into account, the Commission shall consider whether the value of the raw agricultural product constitutes a significant percentage of the value of the processed agricultural product. 19 U.S.C. § 1677 (4)(E)(iii).

²⁹ See 19 U.S.C. 1677(4)(E)(i)(I).

³⁰ The percentage was 23 percent in the original investigations (*Original Chile Determination*, USITC Pub. 3144 at 7), 16.9 percent in the first five-year reviews. (*First Five-Year Review Determinations*, USITC Pub. 3731 at 6), and 15 percent in the second five-year review (*Second Five-Year Review Determinations*, USITC Pub. 4135 at 6).

³¹ CR at I-7 & n.20, PR at I-5.

used in the production of the processed agricultural product.³² Because that is not the case in these reviews, we again conclude that the requirements of the statutory grower/processor provision are not satisfied, and the domestic industry should not be defined to include growers of fresh mushrooms.

In light of the foregoing, we define the domestic industry to include all U.S. producers of preserved mushrooms.

III. Cumulation

A. Prior Proceedings

In the original investigations, the Commission found a reasonable overlap of competition between the domestic like product and imports from all four subject countries. It also found a reasonable overlap of competition among all subject imports except those from Chile and Indonesia. The predominant share of subject imports from Chile was sold to food service users, with most of the rest being distributed to industrial users. Meanwhile, the overwhelming share of subject imports from Indonesia was sold to retail users, with a small share entering the food service channel. There were no common purchasers of mushrooms from Chile and Indonesia, and the Commission concluded that the record indicated only a minimal overlap of channels of distribution between subject imports from Chile and Indonesia.³³ Accordingly, for its original determination on subject imports from Chile, the Commission cumulated subject imports from Chile, China, and India.³⁴ For its original determinations on subject imports from China and India, the Commission cumulated imports from all four subject countries.³⁵ For its original determination on subject imports from Indonesia, the Commission cumulated subject imports from China, India, and Indonesia.³⁶

In its first five-year review determinations, the Commission found that subject imports from each of the four subject countries would not be likely to have no discernible adverse impact on the domestic industry if the orders were revoked.³⁷ The Commission found a likely reasonable overlap of competition between the domestic like product and imports from all four subject countries and with respect to all subject country combinations other than Chile/Indonesia. It found that there was not a likely reasonable overlap in channels of distribution between subject imports from Chile and Indonesia for much the same reasons it did not find a reasonable overlap in its original determinations.³⁸ Based on the record in the

³² See generally GC-JJ-028 at 29 (Feb. 7, 2011).

³³ *Original Chile Determination*, USITC Pub. 3144 at 13-14.

³⁴ *Original Chile Determination*, USITC Pub. 3144 at 15.

³⁵ *Original China/India/Indonesia Determinations*, USITC Pub. 3159 at 10.

³⁶ *Original China/India/Indonesia Determinations*, USITC Pub. 3159 at 10.

³⁷ *First Five-Year Review Determinations*, USITC Pub. 3731 at 10-13.

³⁸ *First Five-Year Review Determinations*, USITC Pub. 3731 at 13-16. Commissioner Lane found that there was a likely reasonable overlap of competition between imports from all four subject countries, and cumulated subject imports from all four subject countries.

first reviews, the Commission exercised its discretion not to cumulate subject imports from Indonesia with those from China or India due to differences in current and likely conditions of competition.³⁹ Consequently, the Commission cumulated subject imports from Chile, China, and India for the determinations on those three countries and did not cumulate subject imports from Indonesia with those from any other subject country.⁴⁰

In its second five-year review determinations, the Commission again found that subject imports from each of the four subject countries would not be likely to have no discernible adverse impact on the domestic industry if the orders were revoked.⁴¹ The Commission found a likely reasonable overlap of competition between the domestic like product and imports from all four subject countries and with respect to all subject country combinations other than Chile/Indonesia. It found that there was not a likely reasonable overlap in channels of distribution between subject imports from Chile and Indonesia for much the same reasons it did not find a reasonable overlap in its original determinations and its first reviews.⁴² Based on the record in the second reviews, the Commission did not find any significant differences in likely conditions of competition among imports from any of the subject countries.⁴³ Consequently, for its determination on subject imports from Chile, the Commission cumulated subject imports from Chile, China, and India. For its determinations on subject imports from China and India, the Commission cumulated imports from all four subject countries. For its determination on subject imports from Indonesia, the Commission cumulated subject imports from China, India, and Indonesia.⁴⁴

B. Legal Standard

With respect to five-year reviews, section 752(a) of the Tariff Act provides as follows: the Commission may cumulatively assess the volume and effect of imports of the subject merchandise from all countries with respect to which reviews under

³⁹ *First Five-Year Review Determinations*, USITC Pub. 3731 at 17-18. Commissioners Lane and Koplan did not exercise their discretion not to cumulate based on differences in likely conditions of competition.

⁴⁰ As previously stated, Commissioner Lane cumulated imports from all four subject countries. Commissioner Koplan used the same three cumulation combinations that the Commission used in the original determinations.

⁴¹ *Second Five-Year Review Determinations*, USITC Pub. 4135 at 9-11.

⁴² *Second Five-Year Review Determinations*, USITC Pub. 4135 at 11-13. Commissioner Lane found that there was a likely reasonable overlap of competition between imports from all four subject countries, and cumulated subject imports from all four subject countries. *Id.* at 41-42.

⁴³ *Second Five-Year Review Determinations*, USITC Pub. 4135 at 14. Vice Chairman Pearson and Commissioner Okun, for different reasons, found that differences in the likely conditions of competition warranted not cumulating subject imports from Indonesia with those from the other three subject countries. *Id.* at 27-29 and 33-34.

⁴⁴ *Second Five-Year Review Determinations*, USITC Pub. 4135 at 14. Vice Chairman Pearson and Commissioner Okun evaluated subject imports from Indonesia separately. *Id.* at 27-29 and 33-34.

section 1675(b) or (c) of this title were initiated on the same day, if such imports would be likely to compete with each other and with domestic like products in the United States market. The Commission shall not cumulatively assess the volume and effects of imports of the subject merchandise in a case in which it determines that such imports are likely to have no discernible adverse impact on the domestic industry.⁴⁵

Cumulation therefore is discretionary in five-year reviews, unlike original investigations, which are governed by section 771(7)(G)(i) of the Tariff Act.⁴⁶ The Commission may exercise its discretion to cumulate, however, only if the reviews are initiated on the same day, the Commission determines that the subject imports are likely to compete with each other and the domestic like product in the U.S. market, and imports from each such subject country are not likely to have no discernible adverse impact on the domestic industry in the event of revocation. Our focus in five-year reviews is not only on present conditions of competition, but also on likely conditions of competition in the reasonably foreseeable future.

The statutory threshold for cumulation is satisfied in these reviews, because all reviews were initiated on the same day: March 2, 2015.⁴⁷ We consider three issues in deciding whether to exercise our discretion to cumulate the subject imports as follows: (1) whether imports from any of the subject countries are precluded from cumulation because they are likely to have no discernible adverse impact on the domestic industry; (2) whether there is a likelihood of a reasonable overlap of competition among imports of preserved mushrooms from the subject countries and the domestic like product; and (3) other considerations, such as whether there are similarities and differences in the likely conditions of competition under which subject imports are likely to compete in the U.S. market for preserved mushrooms.

The domestic interested parties did not address the issue of cumulation, other than to say that they “{believe} that there is significant evidence to support the cumulation of all four subject countries.”⁴⁸

⁴⁵ 19 U.S.C. § 1675a(a)(7).

⁴⁶ 19 U.S.C. § 1677(7)(G)(i); *see also, e.g., Nucor Corp. v. United States*, 601 F.3d 1291, 1293 (Fed. Cir. 2010) (Commission may reasonably consider likely differing conditions of competition in deciding whether to cumulate subject imports in five-year reviews); *Allegheny Ludlum Corp. v. United States*, 475 F. Supp. 2d 1370, 1378 (Ct. Int’l Trade 2006) (recognizing the wide latitude the Commission has in selecting the types of factors it considers relevant in deciding whether to exercise discretion to cumulate subject imports in five-year reviews); *Nucor Corp. v. United States*, 569 F. Supp. 2d 1328, 1337-38 (Ct. Int’l Trade 2008).

⁴⁷ *Preserved Mushrooms from Chile, China, India, and Indonesia; Institution of Five-Year Reviews*, 80 Fed. Reg. 11221 (March 2, 2015).

⁴⁸ Domestic Interested Parties’ Comments at 12.

C. Likelihood of No Discernible Adverse Impact

The statute precludes cumulation if the Commission finds that subject imports from a country are likely to have no discernible adverse impact on the domestic industry.⁴⁹ Neither the statute nor the Uruguay Round Agreements Act (“URAA”) Statement of Administrative Action (“SAA”) provides specific guidance on what factors the Commission is to consider in determining that imports “are likely to have no discernible adverse impact” on the domestic industry.⁵⁰ With respect to this provision, the Commission generally considers the likely volume of subject imports and the likely impact of those imports on the domestic industry within a reasonably foreseeable time if the orders are revoked. Our analysis for each of the subject countries takes into account, among other things, the nature of the product and the behavior of subject imports in the original investigations and in prior reviews.

Based on the record, we do not find that imports from any of the subject countries are likely to have no discernible adverse impact on the domestic industry in the event of revocation of the orders. In both the original investigations and the first five-year reviews, the Commission found that price was an important factor in purchasing decisions. It further found that the subject imports, regardless of source, were at least moderate substitutes for the domestic like product.⁵¹ In the expedited second five-year reviews, the Commission found that the record contained no information that would lead it to question those findings or to conclude that they were no longer applicable.⁵²

Chile. In the original investigations, the volume of subject imports from Chile declined from 10.7 million pounds in 1995 to 7.1 million pounds in 1996 and 5.4 million pounds in 1997, but was higher in interim (January-June) 1998 than in interim 1997.⁵³ In 1998, there were 6.5 million pounds of subject imports from Chile. Since then, there have been no imports of subject merchandise from Chile.⁵⁴

The record of these expedited reviews contains very limited current information about the Chilean industry. The domestic interested parties noted in their response to the notice of institution that one domestic producer remains “dedicated to the production, harvesting and marketing of mushrooms, fresh and canned, for the domestic and export markets.”⁵⁵ The Embassy of Chile submitted a letter in these reviews stating that this firm is currently the only Chilean producer and exporter of preserved mushrooms, that this firm has stated that it is not interested in the U.S. market, and that there have been no Chilean exports to the United States

⁴⁹ 19 U.S.C. § 1675a(a)(7).

⁵⁰ SAA, H.R. Rep. No. 103-316, vol. I at 887 (1994).

⁵¹ *Original Chile Determination*, USITC Pub. 3144 at 18-20; *Original China/India/Indonesia Determinations*, USITC Pub. 3159 at 13-15, 18-20; *First Five-Year Review Determinations*, USITC Pub. 3731 at 25, 30.

⁵² *Second Five-Year Review Determinations*, USITC Pub. 4135 at 23.

⁵³ *Original Chile Determination*, USITC Pub. 3144 at Table IV-1.

⁵⁴ Domestic Interested Parties’ Response to Notice of Institution, Exh. 1.

⁵⁵ Domestic Interested Parties’ Response to Notice of Institution at 9.

since 1999.⁵⁶ Exports of preserved mushrooms from Chile fluctuated during the period examined in these reviews, but were broadly lower at the end of the period than at the beginning. In this period, most of Chile's exports went to Venezuela.⁵⁷

We find that the cessation of subject imports from Chile after 1998 was a result of the order. We further find that subject imports from Chile are likely to return to the U.S. market if the order is revoked in light of the importance of the U.S. market to the Chilean industry during the original period of investigation and the industry's apparent inability since imposition of the order to export to other markets quantities of subject goods comparable to those that previously had been exported to the United States.⁵⁸ We consequently do not find that subject imports from Chile would likely have no discernible adverse impact on the domestic industry if the order is revoked.

China. In the original investigations, subject import volume from China declined from 75.6 million pounds in 1995 to 72.8 million pounds in 1996 and 71.1 million pounds in 1997, but was higher in interim 1998 than in interim 1997.⁵⁹ Subject import volume from China was 48.0 million pounds in 1998. Subject import volume from China then declined sharply to 320,000 pounds in 1999. The volume subsequently increased in the next five years, reaching 61.0 million pounds in 2004, declined in the next two years, and then increased to 78.8 million pounds in 2007 and 83.5 million pounds in 2008.⁶⁰ Subject import volume declined irregularly in the five years covered by these third reviews, falling from 67.6 million pounds in 2009 to 8.9 million pounds in 2014.⁶¹ As discussed below, the decline in subject imports from China towards the end of the period examined in these reviews appears to have been attributable, at least in part, to the contamination of the product with pesticide.

The record of these expedited reviews contains very limited current information about the Chinese industry. China is the largest mushroom producer in the world. Its industry consists of thousands of small-volume family-run growing operations located throughout the country. Mushroom canning, however, takes place in a small number of large, modern facilities.⁶² Exports of preserved mushrooms from China fluctuated during the period examined in these reviews, but China remained the world's largest exporter of preserved mushrooms throughout the period.⁶³ In light of these considerations, we do not find that subject imports

⁵⁶ Letter from the Embassy of Chile to the Commission, dated April 24, 2015.

⁵⁷ Chile's exports of preserved mushrooms were 2.5 million pounds in 2010 and 1.8 million pounds in 2014. CR/PR at Tables I-6 and I-7.

⁵⁸ The Embassy of Chile did not provide any documentation for its assertion that the one firm it maintains currently exports preserved mushrooms is not interested in the U.S. market, and neither that firm nor the Embassy of Chile responded to the notice of institution.

⁵⁹ *Original China/India/Indonesia Determinations*, USITC Pub. 3159 at Table IV-1. These volumes include imports transshipped from Hong Kong.

⁶⁰ CR/PR at Appdx. C, Table I-2.

⁶¹ Domestic Interested Parties' Response to Notice of Institution, Exh. 1.

⁶² CR at I-28, PR at I-21.

⁶³ CR/PR at Table I-14. China's exports of preserved mushrooms were 690 million pounds in 2010 and 525 million pounds in 2014. *Id.*

from China would likely have no discernible adverse impact on the domestic industry if the order is revoked.

India. In the original determinations, the volume of subject imports from India declined from 6.0 million pounds in 1995 to 4.4 million pounds in 1996, increased to 9.9 million pounds in 1997, and was higher in interim 1998 than interim 1997.⁶⁴ The volume of subject imports from India was 12.6 million pounds in 1998. In 1999, it jumped to 32.0 million pounds. Imports from India peaked in 2000 at 34.4 million pounds, declined the next three years, rose to 33.7 million pounds in 2004, and then declined irregularly in the 2005-2008 period. The subject import volume was 20.6 million pounds in 2008.⁶⁵ The volume increased from 13.3 million pounds in 2009 to 25.6 million pounds in 2011 and then declined sharply to 1.3 million pounds in 2014, after traces of a fungicide were detected in Indian canned mushroom shipments to the United States.⁶⁶

The record of these expedited reviews contains very limited current information about the Indian industry. In their response to the notice of institution, the domestic interested parties stated that the mushroom canning industry in India is made up of a few very modern growing and processing facilities, including the largest integrated mushroom growing and canning company in the world, with an estimated annual production capacity of 50,000 metric tons of fresh mushrooms.⁶⁷ Exports of preserved mushrooms from India first increased and then declined sharply during the period examined in these reviews.⁶⁸ In light of these considerations, we do not find that subject imports from India would likely have no discernible adverse impact on the domestic industry if the order is revoked.

Indonesia. During the original period of investigation, the volume of subject imports from Indonesia declined from 30.8 million pounds in 1995 to 26.9 million pounds in 1996, increased to 31.8 million pounds in 1997, and was lower in interim 1998 than in interim 1997.⁶⁹ The volume of subject imports from Indonesia was 26.7 million pounds in 1998. It increased in 1999 to 29.1 million pounds and then declined through 2003, when it reached *** million pounds. Some of the declines were attributable to the revocation of the order with respect to PT Zeta Agro in February 2002, after which time imports from that firm became nonsubject. The volume of subject imports from Indonesia fluctuated between *** pounds during the period examined in the second reviews; in 2008 it was *** pounds.⁷⁰ The volume of subject

⁶⁴ *Original China/India/Indonesia Determination*, USITC Pub. 3159, Table IV-1.

⁶⁵ CR/PR at Appdx. C, Table I-2.

⁶⁶ Domestic Interested Parties' Response to Notice of Institution, Exh. 1, and CR at I-33, PR at I-24.

⁶⁷ Domestic Interested Parties' Response to Notice of Institution at 11-12.

⁶⁸ India's exports of preserved mushrooms were 32.8 million pounds in 2010 and 0.5 million pounds in 2014. CR/PR at Tables I-10 and I-11.

⁶⁹ *Original China/India/Indonesia Determination*, USITC Pub. 3159, Table IV-1.

⁷⁰ CR/PR at Appdx. C, Table I-2.

imports from Indonesia declined from 18.0 million pounds in 2009 to 5.6 million pounds in 2014.⁷¹

The record of these expedited reviews contains very limited current information about the Indonesian industry. Indonesian production of mushrooms was 87.5 million pounds (39,682 mt) in 2013. A wide variety of mushroom species are produced in Indonesia, mainly by small farmers. However, white button mushrooms (*Agaricus bisporus*) are produced by a few large farms owned by large companies mainly for export.⁷² Available data indicate that Indonesian exports of preserved mushrooms to all markets declined over the period examined in these reviews.⁷³ In light of these considerations, we do not find that subject imports from Indonesia would likely have no discernible adverse impact on the domestic industry if the order is revoked.

D. Likelihood of a Reasonable Overlap of Competition

The Commission generally has considered four factors intended to provide a framework for determining whether subject imports compete with each other and with the domestic like product.⁷⁴ Only a “reasonable overlap” of competition is required.⁷⁵ In five-year reviews, the

⁷¹ Domestic Interested Parties’ Response to Notice of Institution, Exh. 1. We note that the volume of subject imports from Indonesia reported in the response to the notice of institution may be overstated because it does not appear to have been adjusted to account for Commerce’s revocation of the antidumping duty order with respect to Indonesian producer PT Zeta Agro. See CR/PR at Table I-3 n.1.

⁷² CR at I-35, PR at I-25.

⁷³ Indonesia’s exports of preserved mushrooms were 19.5 million pounds in 2010 and 11.8 million pounds in 2014. CR at Tables I-12 and I-13. These data likely include exports by PT Zeta Agro, with respect to which the antidumping duty order was revoked in 2002.

⁷⁴ The four factors generally considered by the Commission in assessing whether imports compete with each other and with the domestic like product are as follows: (1) the degree of fungibility between subject imports from different countries and between subject imports and the domestic like product, including consideration of specific customer requirements and other quality-related questions; (2) the presence of sales or offers to sell in the same geographical markets of imports from different countries and the domestic like product; (3) the existence of common or similar channels of distribution for subject imports from different countries and the domestic like product; and (4) whether subject imports are simultaneously present in the market with one another and the domestic like product. See, e.g., *Wieland Werke, AG v. United States*, 718 F. Supp. 50 (Ct. Int’l Trade 1989).

⁷⁵ See *Mukand Ltd. v. United States*, 937 F. Supp. 910, 916 (Ct. Int’l Trade 1996); *Wieland Werke*, 718 F. Supp. at 52 (“Completely overlapping markets are not required.”); *United States Steel Group v. United States*, 873 F. Supp. 673, 685 (Ct. Int’l Trade 1994), *aff’d*, 96 F.3d 1352 (Fed. Cir. 1996). We note, however, that there have been investigations where the Commission has found an insufficient overlap in competition and has declined to cumulate subject imports. See, e.g., *Live Cattle from Canada and Mexico*, Inv. Nos. 701-TA-386 and 731-TA-812-13 (Preliminary), USITC Pub. 3155 at 15 (Feb. 1999), *aff’d sub nom, Ranchers-Cattlemen Action Legal Foundation v. United States*, 74 F. Supp. 2d 1353 (Ct. Int’l (Continued...))

relevant inquiry is whether there likely would be competition even if none currently exists because the subject imports are absent from the U.S. market.⁷⁶ The record of these expedited reviews contains very little new information about either the subject industries or the characteristics of the subject imports that have been present in the U.S. market since the period examined in the first five-year reviews. Consequently, most of the information available is from the original investigations and the first five-year reviews.

Fungibility. In the original investigations, the Commission found that subject imports from all four subject countries were fungible with both the domestic like product and with each other. This finding relied on market participants' reports that preserved mushrooms from the various sources were interchangeable. It also relied on the fact that there were purchaser overlaps encompassing all subject country combinations except Chile-Indonesia and India-Indonesia.⁷⁷

The most recent information available concerning fungibility is from the first five-year reviews, in which a majority of purchasers and U.S. producers reported that U.S.-produced preserved mushrooms were always interchangeable with imports from each of the subject countries. A majority of U.S. importers reported that U.S.-produced preserved mushrooms were always or frequently interchangeable with imports from each of the subject countries. For each possible subject country combination, a majority of each type of market participant reported that imports from different subject countries were always or frequently interchangeable.⁷⁸

Purchasers were asked in the first five-year reviews to compare preserved mushrooms from different sources with respect to 22 factors, three of which (pertaining to discounts offered, extension of credit, and lowest price) were price-related. There were no comparisons involving subject imports from Chile and no comparisons of Indian product with Indonesian product. In every other possible combination of the domestic like product and subject imports, or between imports from different subject countries, a majority or plurality of purchasers reported that the products were comparable in at least 16 of the 19 non-price factors.⁷⁹

Geographic Overlap. In the original investigations, the Commission found that the domestic like product and imports from each subject country were sold nationwide.⁸⁰ The most recent information available concerning this factor is from the period examined during the first five-year reviews. During that period, six of seven responding U.S. producers and 11 of 18 responding importers reported selling their product nationwide.⁸¹

(...Continued)

Trade 1999); *Static Random Access Memory Semiconductors from the Republic of Korea and Taiwan*, Inv. Nos. 731-TA-761-62 (Final), USITC Pub. 3098 at 13-15 (Apr. 1998).

⁷⁶ See generally, *Cheflene Corp. v. United States*, 219 F. Supp. 2d 1313, 1314 (Ct. Int'l Trade 2002).

⁷⁷ *Original Chile Determination*, USITC Pub. 3144 at 11-12; *Original China/India/Indonesia Determinations*, USITC Pub. 3159 at 7-8.

⁷⁸ INV-BB-123, Tables II-4-6 (Oct. 4, 2004) (EDIS Doc. 415599).

⁷⁹ INV-BB-123, Table II-3.

⁸⁰ *Original Chile Determination*, USITC Pub. 3144 at 12.

⁸¹ INV-BB-123 at II-3.

Channels of Distribution. As discussed above, in the original investigations the Commission found that channels of distribution did not overlap for subject imports from Chile and Indonesia, but did overlap for all other possible subject country combinations. The data provided in the confidential version of the Commission's views indicate that, during the original period of investigation, *** percent of subject imports from Chile were distributed to food service users, *** percent were distributed to industrial users, and *** percent were distributed to retail users.⁸² ***, 94.3 percent of subject imports from Indonesia were distributed in the retail channel of distribution, and the remaining 5.7 percent entered the food service channel.⁸³

The most recent empirical information concerning channels of distribution was collected during the first five-year reviews. During the period examined in those reviews, U.S. producers had a significant presence in all three channels of distribution. The annual percentage of U.S. producers' U.S. shipments to the industrial channel ranged from *** percent to *** percent, shipments to the food service channel ranged from *** percent to *** percent, and shipments to the retail channel ranged from *** percent to *** percent.⁸⁴

Subject imports from Chile were not in the U.S. market during the period examined during the first five-year reviews. The record from the first reviews indicated that distribution patterns of subject imports from China and India varied substantially. There were particular years when imports from China had substantial distribution in the food service and retail channels but shipments to the industrial channel never amounted to more than *** percent in any year.⁸⁵ There were particular years when a *** of Indian shipments were in the food service or retail channels; by contrast, the largest annual percentage of shipments to industrial users was *** percent.⁸⁶ Subject imports from Indonesia were concentrated in the retail channel throughout the period examined in the first five-year reviews, with between *** and *** percent of shipments directed to this channel. *** shipments were to food service users.⁸⁷ Additionally, the record contained information concerning overlaps among purchasers of product produced domestically and product from China, India, and Indonesia.⁸⁸

Simultaneous Presence in Market. Subject imports from Chile were present in the U.S. market throughout the original investigation but left the market in 1998 and have not returned since. Imports from each of the other three subject countries have been present in the U.S. market for each year between 1995 and 2014.⁸⁹

⁸² *Original China/India/Indonesia Determinations*, confidential opinion at 10 (EDIS Doc. 415597).

⁸³ *Original China/India/Indonesia Determinations*, USITC Pub. 3159 at 8.

⁸⁴ INV-BB-123, Table F-1.

⁸⁵ INV-BB-123, Table F-1.

⁸⁶ INV-BB-123, Table F-1.

⁸⁷ INV-BB-123, Table F-1.

⁸⁸ INV-BB-123, Table E-1.

⁸⁹ Domestic Interested Parties' Response to Notice of Institution, Exh. 1.

*Conclusion.*⁹⁰ There is nothing in the record of these expedited reviews that detracts from the Commission's findings in the first five-year reviews with respect to a likely reasonable overlap of competition. Because the current record contains neither additional nor contrary information, the record evidence and findings in the first reviews with respect to fungibility, geographic overlap, and channels of distribution provide the information available in these reviews regarding these considerations, and the updated data regarding simultaneous presence in the market indicate a continuation of patterns observed in the first reviews.

As previously stated, in the first five-year reviews, the Commission found a likely reasonable overlap of competition between the domestic like product and imports from all subject countries, and between all subject imports except subject imports from Chile and subject imports from Indonesia, for which it found a lack of a reasonable overlap in channels of distribution. We believe the same findings are applicable to the current record.

Consequently, we find a likely reasonable overlap of competition between the domestic like product and imports from all subject countries, and between all subject imports except subject imports from Chile and subject imports from Indonesia, for which there is not a likely reasonable overlap in channels of distribution. We therefore find, for subject imports from Chile, that there is a likely reasonable overlap of competition with the domestic like product and subject imports from China and India; for subject imports from China and India, that there is a likely reasonable overlap of competition between the domestic like product and with imports from all subject countries; and for subject imports from Indonesia, that there is a likely reasonable overlap of competition with the domestic like product and with subject imports from China and India.

E. Likely Conditions of Competition

In determining whether to exercise our discretion to cumulate the subject imports, we assess whether the subject imports from each group of subject countries for which we have found there is a likely reasonable overlap of competition are likely to compete under similar or different conditions in the U.S. market in the event of revocation. The record in these expedited reviews contains little current information about the industries in any of the four subject countries. Each of the subject countries has exported appreciable quantities of preserved mushrooms to all markets throughout the period of review.⁹¹ Moreover, as we previously found, preserved mushrooms are a fungible product. Based on the limited information in the current record, we do not find any significant differences in likely conditions of competition among imports from any of the subject countries for which we have found a likely reasonable overlap of competition.

⁹⁰ Chairman Broadbent and Commissioner Johanson do not join this conclusion and instead find a likely reasonable overlap of competition among subject imports from all four countries and between subject imports and the domestic like product. See Separate and Concurring Views of Chairman Meredith M. Broadbent and Commissioner David S. Johanson.

⁹¹ Domestic Interested Parties' Response to Notice of Institution, Exh. 1.

F. Conclusion⁹²

Accordingly, for our determination concerning subject imports from Chile, we cumulate subject imports from Chile, China, and India. For our determinations on subject imports from China and India, we cumulate imports from all four subject countries. For our determination on subject imports from Indonesia, we cumulate subject imports from China, India, and Indonesia.

IV. Whether Revocation of the Antidumping Duty Orders Would Likely Lead to Continuation or Recurrence of Material Injury Within a Reasonably Foreseeable Time

A. Legal Standards

In a five-year review conducted under section 751(c) of the Tariff Act, Commerce will revoke an antidumping or countervailing duty order unless: (1) it makes a determination that dumping or subsidization is likely to continue or recur and (2) the Commission makes a determination that revocation of the antidumping or countervailing duty order “would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.”⁹³ The SAA states that “under the likelihood standard, the Commission will engage in a counterfactual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports.”⁹⁴ Thus, the likelihood standard is prospective in nature.⁹⁵ The U.S. Court of International Trade has found that “likely,” as used in the five-year review provisions of the Act, means “probable,” and the Commission applies that standard in five-year reviews.⁹⁶

⁹² Chairman Broadbent and Commissioner Johanson do not join this conclusion and have determined to cumulate subject imports from all four countries for their determinations on subject imports from Chile, China, India, and Indonesia. See Separate and Concurring Views of Chairman Meredith M. Broadbent and Commissioner David S. Johanson.

⁹³ 19 U.S.C. § 1675a(a).

⁹⁴ SAA at 883-84. The SAA states that “{t}he likelihood of injury standard applies regardless of the nature of the Commission’s original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed.” *Id.* at 883.

⁹⁵ While the SAA states that “a separate determination regarding current material injury is not necessary,” it indicates that “the Commission may consider relevant factors such as current and likely continued depressed shipment levels and current and likely continued {sic} prices for the domestic like product in the U.S. market in making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked.” SAA at 884.

⁹⁶ See *NMB Singapore Ltd. v. United States*, 288 F. Supp. 2d 1306, 1352 (Ct. Int’l Trade 2003) (“‘likely’ means probable within the context of 19 U.S.C. § 1675(c) and 19 U.S.C. § 1675a(a)”), *aff’d mem.*, 140 Fed. Appx. 268 (Fed. Cir. 2005); *Nippon Steel Corp. v. United States*, 26 CIT 1416, 1419 (2002) (Continued...)

The statute states that “the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time.”⁹⁷ According to the SAA, a “‘reasonably foreseeable time’ will vary from case-to-case, but normally will exceed the ‘imminent’ timeframe applicable in a threat of injury analysis in original investigations.”⁹⁸

Although the standard in a five-year review is not the same as the standard applied in an original investigation, it contains some of the same fundamental elements. The statute provides that the Commission is to “consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated.”⁹⁹ It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order or the suspension agreement under review, whether the industry is vulnerable to material injury if an order is revoked or a suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).¹⁰⁰ The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission’s determination.¹⁰¹

In evaluating the likely volume of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.¹⁰² In doing so, the Commission must consider “all relevant economic factors,” including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country;

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(same); *Usinor Industeel, S.A. v. United States*, 26 CIT 1402, 1404 nn.3, 6 (2002) (“more likely than not” standard is “consistent with the court’s opinion;” “the court has not interpreted ‘likely’ to imply any particular degree of ‘certainty’”); *Indorama Chemicals (Thailand) Ltd. v. United States*, 26 CIT 1059, 1070 (2002) (“standard is based on a likelihood of continuation or recurrence of injury, not a certainty”); *Usinor v. United States*, 26 CIT 767, 794 (2002) (“‘likely’ is tantamount to ‘probable,’ not merely ‘possible’”).

⁹⁷ 19 U.S.C. § 1675a(a)(5).

⁹⁸ SAA at 887. Among the factors that the Commission should consider in this regard are “the fungibility or differentiation within the product in question, the level of substitutability between the imported and domestic products, the channels of distribution used, the methods of contracting (such as spot sales or long-term contracts), and lead times for delivery of goods, as well as other factors that may only manifest themselves in the longer term, such as planned investment and the shifting of production facilities.” *Id.*

⁹⁹ 19 U.S.C. § 1675a(a)(1).

¹⁰⁰ 19 U.S.C. § 1675a(a)(1). Commerce made a duty absorption finding in its fourth administrative review of the order on subject imports from China. It has not made any duty absorption findings with respect to the orders on subject imports from Chile or Indonesia. It rescinded a duty absorption finding with respect to the order on subject imports from India. CR at I-15, PR at I-__.

¹⁰¹ 19 U.S.C. § 1675a(a)(5). Although the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

¹⁰² 19 U.S.C. § 1675a(a)(2).

(2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.¹⁰³

In evaluating the likely price effects of subject imports if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to the domestic like product and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product.¹⁰⁴

In evaluating the likely impact of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to the following: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.¹⁰⁵ All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry. As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the orders under review and whether the industry is vulnerable to material injury upon revocation.¹⁰⁶

No respondent interested party participated in these expedited reviews. The record, therefore, contains limited new information with respect to the preserved mushroom industries in Chile, China, India, and Indonesia. There also is limited information on the preserved mushroom market in the United States during the period of review. Accordingly, for our determination, we rely as appropriate on the facts available from the original investigations and first and second reviews, and the limited new information on the record in these third five-year reviews.

¹⁰³ 19 U.S.C. § 1675a(a)(2)(A-D).

¹⁰⁴ See 19 U.S.C. § 1675a(a)(3). The SAA states that “{c}onsistent with its practice in investigations, in considering the likely price effects of imports in the event of revocation and termination, the Commission may rely on circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices.” SAA at 886.

¹⁰⁵ 19 U.S.C. § 1675a(a)(4).

¹⁰⁶ The SAA states that in assessing whether the domestic industry is vulnerable to injury if the order is revoked, the Commission “considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they may also demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports.” SAA at 885.

B. Conditions of Competition and the Business Cycle

In evaluating the likely impact of the subject imports on the domestic industry if an order is revoked, the statute directs the Commission to consider all relevant economic factors “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”¹⁰⁷ The following conditions of competition inform our determinations.

1. The Original Investigations and Prior Five-Year Reviews

In the original investigations, the Commission identified two pertinent conditions of competition. The first condition was that U.S. apparent consumption of mushrooms had declined during the original period of investigation. Several witnesses attributed this decline to consumers switching from preserved mushrooms to fresh mushrooms, for which demand increased during the original period of investigation.¹⁰⁸ The second condition was the presence of three major types of purchasers in the marketplace – retail, food service, and industrial – each of which was associated with a different channel of distribution.¹⁰⁹

In the first reviews, the Commission found that apparent U.S. consumption for the 1998-2003 period of review fluctuated; neither the data nor the reports of industry participants indicated that there was the type of steady decline in demand observed during the original period of investigation. The Commission observed that the types of purchasers and channels of distribution were unchanged from the original period of investigation. There had been several changes in the composition of the domestic industry, with the number of U.S. producers having declined since the original period of investigation. Imports not subject to the orders increased sharply after the orders were imposed and subsequently declined.¹¹⁰

In the second reviews, the Commission found that the apparent U.S. consumption of preserved mushrooms in 2008 (179.0 million pounds) was below the annual levels of apparent U.S. consumption reported during four of the six years of the 1998-2003 period examined in the first reviews, and well below the apparent U.S. consumption levels reported between 1995 and 1997 during the original period of investigation. The Commission observed that the capacity of the domestic industry had declined since the time of the first reviews. The Commission further found that there was nothing in the record of the second reviews suggesting that the subject imports, regardless of source, did not continue to be at least moderate substitutes for the domestic like product, as they had been found to be in the original investigations and first reviews.¹¹¹

¹⁰⁷ 19 U.S.C. § 1675a(a)(4).

¹⁰⁸ *Original Chile Determination*, USITC Pub. 3144 at 16; *Original China/India/Indonesia Determination*, USITC Pub. 3159 at 11.

¹⁰⁹ *Original Chile Determination*, USITC Pub. 3144 at 16-17; *Original China/India/Indonesia Determination*, USITC Pub. 3159 at 11.

¹¹⁰ *First Five-Year Review Determinations*, USITC Pub. 3731 at 22.

¹¹¹ *Second Five-Year Review Determinations*, USITC Pub. 4135 at 18-19.

2. The Current Reviews

Demand Conditions. Based on information the domestic interested parties provided on the domestic industry's U.S. shipments and official import data, apparent U.S. consumption of preserved mushrooms in 2014 was 116 million pounds. This figure is below the most recent previous figure available, which is for 2008, and is also below the annual levels of apparent U.S. consumption in each of the six years of the 1998-2003 period examined in the first reviews, when apparent U.S. consumption ranged between 173.2 and 198.7 million pounds.¹¹² The 2014 apparent U.S. consumption figure is also well below the apparent U.S. consumption levels reported between 1995 and 1997 during the original period of investigation, which ranged from 204.5 million pounds to 240.1 million pounds.¹¹³ The domestic interested parties characterize preserved mushrooms as a "mature" product.¹¹⁴ The record in these expedited reviews does not contain any information suggesting that the types of purchasers or channels of distribution have changed since the prior proceedings.

Supply Conditions. The domestic interested parties state that there have been no major structural changes in the U.S. industry producing preserved mushrooms, but that production of the domestic like product has continued to decline, falling from 44.7 million pounds in 2008 to *** million pounds in 2014, and that the domestic industry's capacity declined from 176.8 million pounds in 2008 to *** million pounds in 2014.¹¹⁵

The domestic industry supplied 31.5 percent of apparent U.S. consumption of preserved mushrooms in 2014. The four subject countries in the aggregate supplied *** percent of apparent U.S. consumption in 2014.¹¹⁶ Sources not subject to antidumping duties supplied the remaining *** percent of apparent U.S. consumption.¹¹⁷

Substitutability. In both the original investigations and the first five-year reviews, the Commission found that the subject imports, regardless of source, were at least moderate substitutes for the domestic like product.¹¹⁸ In the expedited second five-year reviews, the Commission found that the record contained no information that would lead it to question that finding.¹¹⁹ Nothing in the current record indicates that this finding is no longer applicable.

¹¹² *First Five-Year Review Determinations*, USITC Pub. 3731 at Table I-4.

¹¹³ CR/PR, Table I-4.

¹¹⁴ Domestic Interested Parties' Response to Notice of Institution at 21.

¹¹⁵ Domestic Interested Parties' Response to Notice of Institution at 20.

¹¹⁶ CR/PR, Table I-5. This figure is also applicable to China, India, and Indonesia combined. For Chile, China, and India combined, the applicable figure is 8.8 percent. *Id.*

¹¹⁷ CR/PR, Table I-5. This figure includes imports from Indonesian producer PT Zeta Agro, which is no longer subject to the antidumping duty order.

¹¹⁸ *Original Chile Determination*, USITC Pub. 3144 at 18-20, *Original China/India/Indonesia Determinations*, USITC Pub. 3159 at 13-15, 18-20; *First Five-Year Review Determinations*, USITC Pub. 3731 at 25, 30.

¹¹⁹ *Second Five-Year Review Determinations*, USITC Pub. 4135 at 19.

C. Likely Volume of Subject Imports

1. The Original Investigations and Prior Five-Year Reviews

In the original investigations, the quantity of cumulated subject imports rose slightly from 1995 to 1997 for purposes of the Indonesia determination and declined for purposes of the other determinations. For all determinations, the quantity of cumulated subject imports was higher in interim 1998 than in interim 1997. Additionally, for all determinations, the market penetration of cumulated subject imports rose from 1995 to 1997 and was higher in interim 1998 than in interim 1997. The Commission found that, in light of their market penetration levels, both the volume and the increase in market penetration of cumulated subject imports were significant.¹²⁰

In its determinations in the first five-year reviews concerning cumulated subject imports from Chile, China, and India, the Commission found that cumulated subject import volume declined sharply in 1999 after imposition of the orders, rose the next two years, declined in 2002, and rose sharply in 2003.¹²¹ It found that the increases in cumulated subject imports observed during the period of review, as well as other information in the record, indicated that the subject producers had the capability to increase subject imports to the United States. It found that unused capacity in Chile had remained at least at the quantity observed during the original investigations, and that total capacity increased in China and India during the period of review.¹²²

The Commission stated that several factors supported a conclusion that subject producers in Chile, China, and India would likely utilize their increased or unused capacity to direct significant quantities of additional exports to the United States upon revocation of the orders. These factors were: (1) the export orientation of the subject producers, (2) the attractiveness of the U.S. market to the subject producers, and (3) barriers to exportation in third-country export markets.¹²³

In its determination regarding subject imports from Indonesia, the Commission found that subject import volume fluctuated within a fairly narrow range from 1998 to 2001. Subject import volume from Indonesia declined appreciably in 2002 and 2003 due to the revocation of the order with respect to Indonesian producer PT Zeta Agro.¹²⁴ The subject Indonesian producers projected that their capacity would increase after 2003, and specifically projected increases in exports to the United States in 2004 and 2005. The Commission found that these projections were overly conservative and concluded that “the overwhelming percentage of additional production is likely to be directed to increasing exports to the United States.”¹²⁵ In

¹²⁰ *Original Chile Determination*, USITC Pub. 3144 at 17; *Original China/India/Indonesia Determinations*, USITC Pub. 3159 at 12-13, 17-18.

¹²¹ *First Five-Year Review Determinations*, USITC Pub. 3731 at 23.

¹²² *First Five-Year Review Determinations*, USITC Pub. 3731 at 23-24.

¹²³ *First Five-Year Review Determinations*, USITC Pub. 3731 at 24.

¹²⁴ *First Five-Year Review Determinations*, USITC Pub. 3731 at 28.

¹²⁵ *First Five-Year Review Determinations*, USITC Pub. 3731 at 29.

light of this conclusion, the Commission found that subject import volume from Indonesia would likely increase substantially over current levels.¹²⁶

In the second five-year reviews, the Commission found that for each of the three cumulation combinations, the quantity of subject imports had increased since the period examined during the first five-year reviews. For each cumulation combination, subject import quantity peaked in 2007, was greater that year than for any year since 1997, and was at or near the peak level for the entire period for which data were available. Subject import quantity in 2008 for each cumulation combination was only *** below the 2007 quantities, and was also above the quantity for every other year since 1997.¹²⁷ Subject imports' share of the quantity of apparent U.S. consumption for each cumulation combination in 2008 was higher than the comparable figure for any year since 1995 for which the Commission had data.¹²⁸

The Commission found that cumulated subject import volume, which was already significant both in absolute terms and relative to U.S. consumption, would likely increase further upon revocation of the orders for each cumulation combination. The following factors supported this conclusion: (1) the export orientation of the industry in each subject country, (2) the ability of each subject country to direct significant additional quantities of subject merchandise to the United States, (3) the fact that the industries in the subject countries already engaged in such behavior during the period of review, (4) the attractiveness of the U.S. market to the subject producers, and (5) barriers to exportation in third-country export markets.¹²⁹

2. The Current Reviews

For each of the three cumulation combinations the quantity of subject imports declined sharply towards the end of the period examined in these third reviews.¹³⁰ Because the only

¹²⁶ *First Five-Year Review Determinations*, USITC Pub. 3731 at 28-29.

¹²⁷ *Second Five-Year Review Determinations*, USITC Pub. 4135 at 20.

¹²⁸ *Second Five-Year Review Determinations*, USITC Pub. 4135 at 20.

¹²⁹ *Second Five-Year Review Determinations*, USITC Pub. 4135 at 21.

¹³⁰ For subject imports from Chile, China, and India, which the Commission is cumulating for purposes of its determinations regarding subject imports from Chile, cumulated subject import quantities rose from 81.0 million pounds in 2009 to 83.2 million pounds in 2010, and then declined for the remainder of the period examined. They were 17.4 million pounds in 2013 and 10.2 million pounds in 2014. See Domestic Interested Parties' Response to Notice of Institution, Exh. 1.

For subject imports from China, India, and Indonesia, which the Commission is cumulating for purposes of its determinations regarding subject imports for Indonesia, cumulated subject import quantities declined throughout the period examined, especially at the end of the period. They were 99.0 million pounds in 2009, 23.4 million pounds in 2013, and 15.8 million pounds in 2014. Domestic Interested Parties Response to Notice of Institution, Exh. 1 The data are the same for subject imports from all four countries, which the Commission is cumulating for purposes of its determinations for China and India, and which forms the basis of Chairman Broadbent and Commissioner Johanson's cumulation determination, as there were no subject imports from Chile during the period examined.

year during the period of review for which the record contains U.S. shipment data is 2014, this is also the sole year during the period for which we can compute subject imports' share of the quantity of apparent U.S. consumption. This share is 13.6 percent for both cumulated imports from all subject countries and cumulated imports for China, India, and Indonesia and 8.8 percent for cumulated imports from Chile, China, and India.¹³¹ Each of these figures is substantially lower than the comparable figures for previous years for which such market share data are available. For example, these figures were 66.1 percent and 58.1 percent, respectively, in 2008.¹³²

The sharp drop in the volume and market share of subject imports for each cumulation combination appears to be attributable in large part to the discovery of pesticide and fungicide contamination of preserved mushrooms from China and India. Subject imports from China fell markedly in 2013 and 2014, after the U.S. Food and Drug Administration began to reject Chinese preserved mushroom shipments for pesticide contamination.¹³³ Subject imports from India also dropped sharply in 2013 and 2014, after traces of a fungicide were detected in Indian canned mushroom shipments to the United States in 2012.¹³⁴

In our view, these contamination problems with subject imports from China and India are not insurmountable and do not support a finding that these imports have permanently retreated from the U.S. market. We observe in this regard that previous concerns regarding the contamination of canned mushrooms from China were resolved and did not prevent subsequent importation of large quantities of preserved mushrooms from China.¹³⁵ There is nothing in the record of these reviews indicating that these contamination problems have lessened the interest of producers and exporters in China and India in the U.S. market, or that these problems cannot be overcome within a reasonably foreseeable time, allowing the resumption of exports to the United States in greater quantities. Indeed, before the contamination problems with shipments of preserved mushrooms from China and India developed during the latter portion of the period of review, subject imports from these countries maintained their substantial presence in the U.S. market from 2009 to 2011/2012.¹³⁶

For each cumulation combination we find that cumulated subject import volume will likely increase significantly upon revocation. We observe in this respect that the facts available indicate that the industry in each subject country exported appreciable quantities of preserved mushrooms during the period of review.¹³⁷ The historic data available in the record further indicate that the industry in each country has consistently exported the *** majority of its

¹³¹ CR/PR at Table I-5.

¹³² *See, e.g.*, CR/PR at Table I-5.

¹³³ CR at I-29, PR at I-21, and Domestic Interested Parties' Response to Notice of Institution, Exh. 1.

¹³⁴ CR at I-33, PR at I-24, and Domestic Interested Parties' Response to Notice of Institution, Exh. 1.

¹³⁵ *Original China/India/Indonesia Determinations*, USITC Pub. 3159 at I-7 (describing concerns over the presence of a toxin found in imported canned mushrooms from China in 1989).

¹³⁶ Domestic Interested Parties' Response to Notice of Institution, Exh. 1.

¹³⁷ CR/PR at Tables I-6, I-8, I-10, and I-12.

production.¹³⁸ Additionally, the information available indicates that each subject country has the ability to direct significant additional quantities of subject merchandise to the United States.

Even during the period examined during the original investigations, the industry in Chile had *** excess capacity.¹³⁹ Chilean exports of canned mushrooms to all markets fell sharply after imposition of the order, indicating that the Chilean industry was unable to direct to other markets exports previously shipped to the United States. While export levels have subsequently fluctuated, they have never reached pre-order levels.¹⁴⁰ This fact, in conjunction with the Chilean industry's export orientation during the original period of investigation, indicates that the Chilean industry would have an incentive to export additional volumes to the United States if the order were revoked.¹⁴¹

The industry in China directed substantial exports to the United States during the period examined in these reviews, particularly before these exports declined sharply in 2013 and 2014 due to pesticide contamination.¹⁴² Evidence in the record of these reviews indicates that China has been the leading global producer of mushrooms and exporter of canned mushrooms since 2004.¹⁴³ Additionally, Chinese export data show that the industry in China exports substantial quantities of canned mushrooms to other markets, giving that industry the ability to direct additional exports to the United States upon revocation.¹⁴⁴

The most recent information available concerning the capacity of the Indian industry, which is from the period examined in the first reviews, indicates that the industry's capacity ***. Moreover, throughout that period the amount of unused capacity, in relation to exports to the United States, was significant.¹⁴⁵ There is nothing in the record in these expedited reviews to indicate that the industry in India no longer has significant unused capacity to increase exports to the United States. The record further indicates that the mushroom canning industry in India consists of a few very modern growing and processing facilities, including the largest integrated mushroom growing and canning company in the world.¹⁴⁶

Exports of preserved mushrooms from Indonesia to the United States were substantial during the period of review, notwithstanding declining volumes. Exports of preserved mushrooms from Indonesia to the United States were 9.8 million pounds in 2014. The United

¹³⁸ INV-HH-017 (March 9, 2010) (EDIS Doc. 555919) at Tables I-4 (India), I-5 (Indonesia); INV-V-089 at Tables VII-1 (Chile), VII-2 (China) (Nov. 5, 1999) (EDIS Doc. 415595).

¹³⁹ INV-V-089, Table VII-1.

¹⁴⁰ CR/PR at Table I-6 and *Second Five-Year Review Determinations*, USITC Pub. 4135 at Figure I-1.

¹⁴¹ The assets of the only known producer of preserved mushrooms in Chile at the time of the original investigations were sold to another producer in Chile, after the first firm went bankrupt in 2001. CR at I-24, PR at I-18.

¹⁴² CR/PR at Table I-8.

¹⁴³ Domestic Interested Parties' Response to Notice of Institution at 9 and Exh. 5.

¹⁴⁴ CR/PR at Table I-8.

¹⁴⁵ INV-BB-123 at Table I-4.

¹⁴⁶ Domestic Interested Parties' Response to Notice of Institution at 11.

States was the largest export market for Indonesian canned mushrooms during this period, accounting for 83 percent of total Indonesian exports during 2010–2014.¹⁴⁷

Consequently, for each cumulation combination, the facts available support a finding that the subject industries have the ability to direct significant additional exports to the United States upon revocation. Several considerations lead us to conclude that the subject producers are likely to exploit their ability to direct significant additional exports to the United States. First, the industries in the subject countries already engaged in such behavior towards the end of the period of the first reviews and during the period of the second reviews even with the orders in place.¹⁴⁸ That such increases in subject imports occurred notwithstanding that U.S. demand had declined substantially since the original period of investigation and had been no better than stagnant since the time of the first reviews¹⁴⁹ indicate that the subject imports have found, and are likely to continue to find, the United States to be an attractive export market notwithstanding stable or declining demand.

Further indication that the subject producers perceive the United States to be a likely destination for additional exports upon revocation is provided by data showing that the United States was one of the largest export markets for the industries in China, India, and Indonesia for at least part of the period examined in these reviews.¹⁵⁰ Additionally, imports from the subject countries are subject to barriers to importation in other export markets. Preserved mushrooms from Chile are subject to antidumping duties imposed by Mexico. Preserved mushrooms from China are subject to antidumping duties imposed by Australia and Mexico. Further, preserved mushrooms from Chile, China, India, and Indonesia have been subject to a tariff-rate quota in the European Union.¹⁵¹

In light of the foregoing considerations, we conclude that upon revocation, the likely subject import volume would be significant for each cumulation combination.¹⁵²

¹⁴⁷ CR/PR at Table I-12. We recognize that some of these exports may have been from PT Zeta Agro Corp., with respect to which the antidumping duty order was revoked in 2002.

¹⁴⁸ For example, the volume of subject imports from all subject countries increased from 67.1 million pounds in 2002 to 124.4 million pounds in 2008. Domestic Interested Parties' Response to Notice of Institution, Exh. 1.

¹⁴⁹ Apparent consumption of preserved mushrooms was 240 million pounds in 1995, 173.2 million pounds in 2002, and 179.0 million pounds in 2008. CR/PR at Table I-3.

¹⁵⁰ CR/PR at Tables I-8, I-10, and I-12.

¹⁵¹ CR at I-36, PR at I-25.

¹⁵² In the first reviews, the Commission did not rely on information concerning inventories or product shifting in its analysis of likely cumulated subject import volume. *First Five-Year Review Determinations*, USITC Pub. 3731 at 25 n.142. The record in these reviews does not contain any updated information concerning these factors.

D. Likely Price Effects

1. The Original Investigations and Prior Five-Year Reviews

In the original investigations, the Commission found that price was an important factor in purchasing decisions and that the subject imports (regardless of the sources being cumulated) were at least moderate substitutes with the domestic like product. It found significant underselling by the subject imports, although the incidence of underselling varied depending on the sources being cumulated. It also noted that prices declined during the period of investigation, with the price declines being particularly noteworthy for the pricing product on which the Commission focused its pricing analysis, 68-ounce cans of stems and pieces. The Commission found that prices declined at a greater rate than cost of goods sold and concluded that the subject imports had significant price-depressing effects.¹⁵³

In the first five-year reviews, the Commission found that price continued to be an important factor in purchasing decisions. It further found that the subject imports, regardless of source, were at least moderate substitutes for the domestic like product.¹⁵⁴

In the determinations concerning subject imports from Chile, China, and India, the Commission found that the cumulated subject imports undersold the domestic like product in over 65 percent of quarterly comparisons, even with the orders in place. It also found a connection between the increasing presence of cumulated subject imports in the market after 2000 and price declines for the domestic like product. The Commission concluded that, in light of the likely stable U.S. demand for preserved mushrooms, the increased cumulated subject imports likely upon revocation would force the domestic industry either to cut prices or lose market share; moreover, a continued increase in subject imports would likely contribute materially to a continuation of the price declines for the domestic like product observed during both the original investigation and the period of review. It therefore concluded that revocation would likely cause significant price depression.¹⁵⁵

In the first review determination concerning subject imports from Indonesia, the Commission found that during the period of review subject imports from Indonesia undersold the domestic like product in 36 of the 72 quarterly comparisons that met its standards of reliability and comparability.¹⁵⁶ It observed that the frequency of underselling by subject imports from Indonesia was higher during the period of review than during the original period of investigation, found that revocation of the order would likely cause the frequency of underselling to increase further, and thus concluded that underselling would likely be significant upon revocation. It also found that revocation would likely cause significant price

¹⁵³ *Original Chile Determination*, USITC Pub. 3144 at 18-20; *Original China/India/Indonesia Determinations*, USITC Pub. 3159 at 13-15, 18-20.

¹⁵⁴ *First Five-Year Review Determinations*, USITC Pub. 3731 at 25, 30.

¹⁵⁵ *First Five-Year Review Determinations*, USITC Pub. 3731 at 26.

¹⁵⁶ *First Five-Year Review Determinations*, USITC Pub. 3731 at 30-31.

depression, using the same reasoning as it did for its similar finding concerning the cumulated subject imports.¹⁵⁷

In the second five-year reviews, the Commission found that there was no information in the record to lead it to question its findings in the original investigations and the first reviews that price was an important factor in purchasing decisions and that subject imports were at least moderate substitutes for the domestic like product. The Commission considered the pricing data from the original investigations and the first five-year reviews and found, in light of the consistent history of significant underselling during these periods, that significant underselling would likely occur upon revocation for all cumulation combinations in the second five-year reviews. It found that this likely underselling, combined with the likely increased volumes of cumulated subject imports, would result in the likelihood of the cumulated subject imports taking market share away from the domestic industry, as they had done in the past. Moreover, in light of the importance of price in purchasing decisions, and the fact that the subject imports were at least moderate substitutes with the domestic like product, the subject imports would likely have significant price-depressing or -suppressing effects.¹⁵⁸

2. The Current Reviews

As previously discussed, the Commission found in both the original investigations and the first five-year reviews that price is an important consideration in purchasing decisions and that the subject imports, regardless of source, are at least moderate substitutes for the domestic like product. The record in these expedited reviews contains no information that would lead us to conclude that these findings are no longer applicable.

Because no pricing data were collected during these expedited reviews, the pricing data available are from the original investigations and the first five-year reviews. During the original investigations, the Commission found underselling by the subject imports to be significant for all cumulation combinations. There was underselling in 54 percent of comparisons for cumulated subject imports from Chile, China, and India.¹⁵⁹ There was an equal number of observations of overselling and underselling for cumulated subject imports from all four subject countries, and underselling in 52 percent of comparisons for cumulated subject imports from China, India, and Indonesia.¹⁶⁰ Despite the orders, the incidence of underselling was even greater during the period examined during the first reviews. For the different cumulation combinations, rates ranged from 60 percent to over 65 percent.¹⁶¹ In light of this consistent

¹⁵⁷ *First Five-Year Review Determinations*, USITC Pub. 3731 at 31-32.

¹⁵⁸ *Second Five-Year Review Determinations*, USITC Pub. 4135 at 23-24.

¹⁵⁹ *Original Chile Determination*, USITC Pub. 3144 at 20.

¹⁶⁰ *Original China/India/Indonesia Determinations*, USITC Pub. 3159 at 14, 19.

¹⁶¹ There was underselling in over 65 percent of comparisons for cumulated subject imports from Chile, China, and India. *First Five-Year Review Determinations*, USITC Pub. 3731 at 26. For cumulated subject imports from all four subject countries, and for cumulated subject imports from China, India, and Indonesia, there was underselling in 60 percent of comparisons. *See Confidential First Five-Year Review Determinations* at 38, 47 (EDIS Doc. 415602).

history of significant underselling during the period for which pricing data are available, we find that significant underselling would likely occur upon revocation for all cumulation combinations.

This likely underselling, combined with the likely increased volumes of cumulated subject imports, would likely result in cumulated subject imports taking market share away from the domestic industry, as happened during the original investigations and the latter portion of the period examined during the first reviews. Moreover, in light of the importance of price in purchasing decisions, and the fact that the subject imports are at least moderate substitutes with the domestic like product, the subject imports would likely have significant price-depressing or -suppressing effects.¹⁶²

We accordingly determine, for each cumulation combination, that the cumulated subject imports would likely have significant adverse price effects in the event of revocation.

E. Likely Impact

1. The Original Investigations and Prior Five-Year Reviews

In the original investigations, the Commission found that the cumulated subject imports gained market share at the expense of the domestic industry. There were declines in the domestic industry's production, shipments, capacity utilization, and employment. The combination of declining output and falling prices led to deterioration in the domestic industry's operating performance. Operating margins declined throughout the period of investigation. During 1997, the operating margin had declined to 1.3 percent and at least half of the domestic producers sustained operating losses.¹⁶³

In the first five-year reviews, the Commission found that the domestic industry showed some modest improvements in several performance indicators immediately after imposition of the orders in 1999. However, after 2000, the industry's condition deteriorated; the industry experienced operating losses during 2001, 2002, and 2003. The Commission found the domestic industry to be in a vulnerable condition.¹⁶⁴ In both the determination concerning cumulated subject imports from Chile, China, and India and the determination concerning subject imports from Indonesia, the Commission found that subject import volume would likely increase after revocation, the subject imports would likely undersell the domestic like product,

¹⁶² Indeed, during the prior proceedings, for which current pricing data series were available, increasing volumes of subject imports correlated with declining prices for the domestic like product for every cumulation combination examined. *Original Chile Determination*, USITC Pub. 3144 at 20; *Original China/India/Indonesia Determinations*, USITC Pub. 3159 at 14, 19; *First Five-Year Review Determinations*, USITC Pub. 3731 at 36.

¹⁶³ *Original Chile Determination*, USITC Pub. 3144 at 21-24; *Original China/India/Indonesia Determinations*, USITC Pub. 3159 at 15-17, 20-22.

¹⁶⁴ *First Five-Year Review Determinations*, USITC Pub. 3731 at 27.

and the likely volume and price effects of the subject imports would likely exacerbate the declines in industry performance observed during the latter portion of the period of review.¹⁶⁵

In the second five-year reviews, the Commission found that there had been further deterioration in the domestic industry's capacity, production, U.S. shipments, and market share since the period examined in the first reviews. Notwithstanding these negative indicators, the industry reported profitable operations during 2008. In light of the limited data available in those expedited reviews, the Commission could not conclude that the domestic industry was in a vulnerable condition. The Commission found that the additional likely volumes of subject imports, at prices that would likely undersell those for the domestic like product, would likely cause further declines in the domestic industry's production, shipments, sales revenues, and market share. The likely declines in shipments and output would in turn likely lead to declines in employment. Additional quantities of low-priced subject imports also would likely lead to a deterioration in the financial performance of the domestic industry. The Commission found that, for all cumulation combinations, the cumulated subject imports were likely to have a significant adverse impact on the domestic industry within a reasonably foreseeable time. It also found that consideration of the effects of factors other than subject imports did not detract from its finding regarding the likely material adverse impact of subject imports on the domestic industry.¹⁶⁶

2. The Current Reviews

The record in these expedited reviews contains limited data concerning the condition of the domestic industry in 2014. These data indicate a deterioration in several indicators when compared to data for 2008, the year for which the Commission obtained data in the second reviews, and to earlier periods. The industry's capacity and production were lower in 2014 than during any year since 1995 for which data are available. The declines in production are particularly dramatic. Domestic industry production in 2014 was 26.9 million pounds, well below the level in 2008 (44.7 million pounds), the range during the period examined in the first reviews (50.2 million pounds and 68.9 million pounds), and the range during the original period of investigation (74.7 million pounds and 107.7 million pounds).¹⁶⁷ The domestic industry's capacity utilization in 2014 was 18.9 percent, lower than in any previous year for which the Commission has data.¹⁶⁸

The quantity of the domestic industry's U.S. shipments was lower in 2014 than in nine of the ten prior years for which data are available, and the value was lower than in eight of the prior ten years for which data are available. The domestic industry had 36.6 million pounds in

¹⁶⁵ *First Five-Year Review Determinations*, USITC Pub. 3731 at 27, 32-33.

¹⁶⁶ *Second Five-Year Review Determinations*, USITC Pub. 4135 at 25-26.

¹⁶⁷ CR/PR at Tables I-2 and I-1.

¹⁶⁸ CR/PR at Tables I-2 and I-1.

shipments in 2014, with a value of \$65.5 million.¹⁶⁹ The lowest previous levels for these indicators, which were set in 2003, were respectively 47.7 million pounds and \$55.7 million.¹⁷⁰

The domestic industry's share of the quantity of apparent U.S. consumption in 2014 (31.5 percent) was lower than in eight of the ten years for which data are available.¹⁷¹

The domestic industry reported profitable operations in 2014. Its operating income ratio of 4.8 percent was lower than in 2008, when it was 8.3 percent, but higher than in 2003, when it was negative 2.7 percent.¹⁷² The industry's operating income ratio ranged from 1.6 percent to 8.3 percent during the original period of investigation.¹⁷³

While several indicators for which we have current data support the view that the domestic industry's condition has deteriorated further since 2008, we cannot conclude that the domestic industry is in a vulnerable condition in light of the limited data available in these expedited reviews.¹⁷⁴

We do find that the additional volumes of subject imports that are likely, at prices that would likely undersell those for the domestic like product, would likely cause further declines in the domestic industry's production, shipments, sales revenues, and market share. The likely declines in shipments and output would in turn likely lead to declines in employment. Additional quantities of low-priced subject imports would also likely to lead to a deterioration in the financial performance of the domestic industry, as they did during the original investigations and first five-year reviews. We consequently find, for all cumulation combinations, that the cumulated subject imports would be likely to have a significant adverse impact on the domestic industry within a reasonably foreseeable time.

In conducting our analysis of likely impact, we have also considered the likely effect of factors other than the cumulated subject imports on the domestic industry. With respect to recent and likely changes in demand, we note that apparent U.S. consumption of preserved mushrooms during 2014, the sole year during the period of review for which such data are available, was considerably lower than in 2008, the last year for which we have such data, and was also lower than in previous periods.¹⁷⁵ To the extent that demand for preserved

¹⁶⁹ CR/PR at Tables I-1 and I-2.

¹⁷⁰ CR/PR at Table I-1.

¹⁷¹ CR/PR at Table I-3 and I-5. The domestic industry's share of the quantity of apparent U.S. consumption ranged between 25.4 percent and 40.7 percent during the period examined during the first reviews, and between 36.5 percent and 42.2 percent during the original period of investigation. *Id.*

¹⁷² CR/PR at Table I-2.

¹⁷³ CR/PR at Table I-2.

¹⁷⁴ Vice Chairman Pinkert finds that there is a mixed record with respect to industry vulnerability. Industry capacity, production, capacity utilization, the quantity and value of commercial shipments, and net sales have all declined from 1997 (the last year of the period of the original investigation) to 2014. CR/PR at Table I-2. The industry's operating income and operating income margin, however, were both higher in 2014 than in 1997. *Id.*

¹⁷⁵ Apparent U.S. consumption was 116.2 million pounds in 2014, compared to 180.0 million pounds in 2008. CR/PR at Table I-5.

mushrooms continues to decline, the likely volume and price effects of subject imports would likely exacerbate the declines in the domestic industry's performance by taking market share away from the industry, as they did in prior periods, including those in which apparent U.S. consumption declined.¹⁷⁶ Therefore, the adverse effects likely to be caused by subject imports upon revocation of the orders would be distinct from any adverse effects caused by further declines in demand.

We have also considered the role of those imports we have not cumulated. We note that in both the original investigations and in the period covered by the first reviews, subject imports gained market share at the expense of both the domestic product and nonsubject imports.¹⁷⁷ In the event of the revocation of the orders, it is likely that this would occur again.

Consequently, considerations of factors other than the cumulated subject imports do not detract from our finding that, for each cumulation combination, the cumulated subject imports likely would have a material adverse impact on the domestic industry.

V. Conclusion

For the above reasons, we determine that revocation of the antidumping duty orders on preserved mushrooms from Chile, China, India, and Indonesia would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

¹⁷⁶ CR/PR at Table I-5.

¹⁷⁷ *Original China/India/Indonesia Determination*, USITC Pub. 3159 at Table IV-3; *First Five-Year Review Determinations*, USITC Pub. 3731 at Table I-5.

**SEPARATE AND CONCURRING VIEWS OF CHAIRMAN MEREDITH M. BROADBENT
AND COMMISSIONER DAVID S. JOHANSON**

I. INTRODUCTION

Based on the record in these five-year reviews, we determine under section 751(c) of the Tariff Act of 1930, as amended, that revocation of the antidumping duty orders on preserved mushrooms from Chile, China, India, and Indonesia would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. We have determined to cumulate imports from all subject countries for purposes of our determinations on Chile, China, India, and Indonesia, finding that there is a likely reasonable overlap of competition among subject imports and between the subject imports and the domestic like product.

We join in their entirety the Commission's Views with respect to background, domestic like product, and domestic industry (sections I-II) as well as the sections of the cumulation analysis concerning prior proceedings, legal standard, no discernible adverse impact, and likely conditions of competition (sections III.A–III.C, III.E). We also join the section of the cumulation analysis concerning the likelihood of a reasonable overlap of competition (section III.D), except where noted. We join the Commission's Views with respect to the likelihood of the continuation or recurrence of material injury if the orders on Chile, China, India, and Indonesia are revoked (section IV). We write separately in finding that there is likely to be a reasonable overlap of competition between subject imports from Chile and subject imports from Indonesia.

II. CUMULATION

A. Prior Proceedings

Original Investigations: As recounted in section III.A of the Commission's opinion, in the original investigations the Commission majority found that while domestically produced preserved mushrooms competed with subject imports from all four countries and while subject imports from China and India competed with subject imports from all countries, subject imports from Chile and Indonesia did not compete with each other.

In its analysis of the factors governing reasonable overlap of competition, the Commission found that the domestic like product and the subject imports from all four subject countries were generally fungible,¹ that they were all distributed nationwide,² and that they were all simultaneously present in the U.S. market³ over the period of investigation. The primary factor that led the Commission to find a lack of reasonable overlap with respect to Chile and Indonesia was differences in the channels of distribution in which subject imports from Chile and Indonesia were sold.⁴

While the Commission found that, over the period of investigation, subject imports from Chile were "somewhat fungible with subject imports from Indonesia," only a "small share" of subject imports from Chile was found in the retail channel, whereas subject imports from Indonesia were

¹ USITC Pub. 3144, at 11 (Chile); USITC Pub. 3159, at 7-8 (China, India, and Indonesia).

² USITC Pub. 3144, at 12; USITC Pub. 3159, at 8.

³ USITC Pub. 3144, at 14; USITC Pub. 3159, at 9.

⁴ USITC Pub. 3144, at 13-15; USITC Pub. at 8-10.

“overwhelmingly shipped to retail users.”⁵ There was no single purchaser that had purchased subject product from both Chile and Indonesia.⁶ In support of its analysis of these channels, the Commission also included some discussion of the sizes of the packaging in which the preserved mushrooms were shipped. The Commission found that the industrial and the food service channels both typically purchased preserved mushrooms in 68-ounce cans. In contrast, retail customers purchased four- or eight-ounce cans or jars.⁷ Although petitioners argued that as much as 25 percent of imports from Indonesia were in the larger 68-ounce cans, suggesting that subject imports from Indonesia were not as focused in the retail channel as otherwise indicated, the Commission nevertheless found that those larger cans were sold through what it considered retail channels, such as “warehouse or club stores.”⁸

First Reviews: As recounted in section III.A of the Commission’s opinion, in the first (full) reviews the Commission found that there would likely be a reasonable overlap of competition between the domestic like product and subject imports from all four countries, and between subject imports from China and India and those from all countries, if the orders were revoked.⁹ The Commission also found that subject imports from Chile and Indonesia would likely not have a competitive overlap if the orders were revoked, relying heavily on data from the original investigations for Chile, from which imports had ceased in 1999.¹⁰ The Commission proceeded to find, based on differences in the likely conditions of competition, that subject imports from Indonesia should not be cumulated with those from any other country. For its determinations, therefore, the Commission cumulated subject imports from Chile, China, and India, but analyzed imports from Indonesia on their own.¹¹

It is notable that domestic interested parties, in those first reviews, continued to point to a substantial percentage of imports from Indonesia that were packaged in the larger size cans over the period of review (up to 13.7 percent of such imports).¹² Domestic interested parties also presented information indicating that the sole Chilean producer was shipping preserved mushrooms in four- and eight-ounce cans and that it was selling into retail channels in the Mexican market.¹³ Although the Commission weighed the evidence on both of these topics, it did not find either to be sufficient to alter the conclusion that there would not likely be a reasonable overlap of competition between imports from Chile and Indonesia.

Second Reviews: As recounted in section III.A of the Commission’s opinion, in the second, expedited reviews the Commission relied primarily on the record developed in the first (full) reviews, and—when considering Chile—used record information from the original investigations as no imports from Chile had entered the U.S. market since 1999. The Commission continued to find that, if the orders were revoked, there would likely be a reasonable overlap of competition between the domestic like

⁵ USITC Pub. 3144, at 13 (based on 1997 data presented in Table I-2 from confidential staff report).

⁶ USITC Pub. 3144, at 14-15.

⁷ USITC Pub. 3144, at 13.

⁸ USITC Pub. 3144, at 13 n.73.

⁹ USITC Pub. 3731, at 15-16.

¹⁰ USITC Pub. 3731, at 16-17. Commissioner Lane did not join this section of the views and instead chose to cumulate subject imports from all four countries. USITC Pub. 3731, at 47-48 (Separate and Concurring Views of Commissioner Lane).

¹¹ USITC Pub. 3731, at 17-18. Commissioner Koplán did not proceed to other considerations and cumulated the countries as the Commission majority had done during the original investigations. USITC Pub. 3731, at 35-36 (Separate and Concurring Views of Commissioner Koplán).

¹² USITC Pub. 3731, at 16 n.86.

¹³ USITC Pub. 3731, at 16.

product and subject imports from all four countries and between subject imports from China and India and those from all countries; the Commission also continued to find that subject imports from Chile and Indonesia would likely not have a competitive overlap.¹⁴ Unlike the first reviews, however, the Commission did not find any significant differences in the likely conditions of competition and determined to cumulate the countries, as it did in the original reviews, based on its reasonable overlap of competition analysis.¹⁵

During these second reviews, domestic interested parties presented further information regarding the ability of the Chilean subject producer to sell preserved mushrooms in four- and eight-ounce cans, and reported Chilean exports into the Mexican retail market. The Commission again weighed this evidence, but concluded that there would nevertheless not likely be a significant degree of competitive overlap between imports from Chile and Indonesia.¹⁶

B. The Current Reviews

We now consider, for the purposes of cumulation in these third reviews, whether, if these orders were revoked, there would be a likely reasonable overlap of competition among subject imports from all four countries and between subject imports and the domestic like product. Given that we concur with the Commission majority that, if the orders were revoked, there would likely be a reasonable overlap in competition between the domestic like product and all four subject countries and between subject imports from China or India, on the one hand, and imports from all other subject countries on the other, we need only determine whether there would likely be a reasonable overlap in competition, if the orders were revoked, between subject imports from Chile and Indonesia.

We first note that the finding of a lack of a reasonable overlap of competition between Chile and Indonesia—in the original investigations and in the first and second reviews—has been based almost exclusively on differences in one of the four factors the Commission typically analyzes for reasonable overlap of competition: in channels of distribution. There was never a question that there was competition nationwide between the domestic like product and imports from each subject country.¹⁷ Nor was there ever a question that the domestic like product and imports from each subject country were simultaneously present in the U.S. market.¹⁸ The Commission has not found that subject imports from Chile and Indonesia are not fungible. During the period of investigation (1995–1997, with an interim period of January to June 1998) the Commission found subject imports from Chile “somewhat

¹⁴ USITC Pub. 4135, at 11-13. Commissioner Lane did not join this section of the views and instead chose to cumulate subject imports from all four countries, as she had done in the first review. USITC Pub. 4135, at 39-40 (Separate and Concurring Views of Commissioner Lane).

¹⁵ USITC Pub. 4135, at 14. Commissioners Pearson and Okun did find different likely conditions of competition in separate opinions and exercised their discretion to cumulate subject imports from Chile, China, and India, analyzing Indonesia separately. USITC Pub. 4135, at 27-29 (Pearson); at 33-34 (Okun).

¹⁶ USITC Pub. 4135, at 13.

¹⁷ USITC Pub. 3144, at 12; USITC Pub. 3159, at 8; USITC Pub. 3731, at 14; USITC Pub. 4135, at 12.

¹⁸ USITC Pub. 3144, at 14; USITC Pub. 3159, at 9; USITC Pub. 3731, at 15; USITC Pub. 4135, at 13. In the first reviews, the Commission conceded that subject imports from Chile had been absent from the U.S. market since 1999, but found that such imports would, if the orders were revoked, have a continuous presence in the U.S. market. USITC Pub. 3731, at 15.

fungible” with subject imports from Indonesia¹⁹ and noted that “one of two purchasers reported that Chilean and Indonesian imports were moderate substitutes”²⁰

Second, we observe that, because the last two reviews have been expedited, the last period for which we have comprehensive data is from 1998–2003, the period of the first review. Therefore, the last time the Commission collected data that allowed for an analysis of the channels of distribution for subject imports from Indonesia was almost 12 years ago.²¹ As noted above, the Indonesian industry was shown to have been capable, in both the original investigations and in the first review, of producing and selling into the U.S. market 68-ounce cans of preserved mushrooms, a package size that is larger than what is typically marketed in the retail channel—the channel in which imports from Indonesia were focused at that time. If the order on Indonesia were revoked now, we find that, given the passage of time and the likely blurring of distinctions between the different channels of distribution (which in the prior proceedings were based to a large extent on simply the size of the package), there is a reasonable probability that preserved mushrooms from Indonesia would be sold in a range of different market segments and that this would result in more direct competition with subject imports from all subject countries, including Chile.

Further, because subject imports from Chile ceased in 1999, the last data collected by the Commission on channels of distribution for those imports, showing a small Chilean presence in the retail segment, was from almost 18 years ago.²² If the order on Chile were revoked now, we are unpersuaded that subject imports from Chile would again enter the U.S. market in the same manner as they did in 1997, selling at the same levels into precisely the same channels of distribution. The Chilean producer from the period of the original investigations, Nature’s Farm, reportedly went bankrupt in 2001 and a new owner, Inversiones Bosques, acquired the assets and has continued producing.²³ It would be difficult for preexisting commercial relationships with importers and purchasers in the United States to have survived both the 16 years of absence from the U.S. market and this change in ownership. As discussed above, evidence was also presented in the first and second reviews that the Chilean producer was able to produce, and sell into the Mexican retail segment, smaller sized cans of preserved mushrooms. If the order on subject imports from Chile were revoked, we find that, given the evidence that Chilean producers have at certain points had the capability to produce smaller sized cans and to sell those into the retail channel, combined with the need to reestablish commercial relationships after its long absence from the U.S. market, preserved mushrooms from Chile could be sold in a range of different market segments and that this would result in more direct competition with subject imports from all subject countries, including Indonesia.

We concur with the Commission that there would likely be a reasonable overlap of competition between the domestic like product and subject imports from all four countries if the orders were revoked. We also concur that there would likely be a reasonable overlap of competition between subject imports from China or India, on the one hand, and imports from all other subject countries on the other. We separately find, however, that the existing record concerning channels of distribution, based on data that is 12 years old or more, is an insufficient basis on which to determine that, in the event of revocation, there are likely to be significant differences in the channels of distribution between

¹⁹ USITC Pub. 3144, at 14.

²⁰ USITC Pub. 3159, at 7.

²¹ USITC Pub. 3731, at Table F-1 (confidential).

²² USITC Pub. 3144, at Table I-2 (showing data from 1997).

²³ CR at I-24; PR at I-18

Chile and Indonesia. We find that any distinctions between the various channels of distribution have been blurred and involve, to a large extent, simple differences in packaging. Evidence on the record of previous proceedings strongly suggests that producers in both Chile and Indonesia have the ability to alter the sizes of their packaging, allowing them to compete with each other in the U.S. market were the orders to be revoked. If imports from Chile are to reenter the U.S. market, they will seek to establish business relationships with new purchasers, including potentially retailers, where they will likely compete with imports from the other three subject countries, including Indonesia.

We find that, if the orders were revoked, there would likely be a reasonable overlap of competition among subject imports from all four countries and between subject imports and the domestic like product.

INFORMATION OBTAINED IN THESE REVIEWS

BACKGROUND

On March 2, 2015, the U.S. International Trade Commission (“Commission”) gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”),¹ that it had instituted a review to determine whether revocation of antidumping duty orders on preserved mushrooms from Chile, China, India, and Indonesia would likely lead to the continuation or recurrence of material injury to a domestic industry.² All interested parties were requested to respond to this notice by submitting certain information requested by the Commission.³ The following tabulation presents information relating to the background and schedule of this proceeding:

Effective or statutory date	Action
March 2, 2015	Notice of institution and initiation by Commerce and Commission
June 5, 2015	Commission vote on adequacy
July 8, 2015	Commerce results of its expedited reviews
July 30, 2015	Commission statutory deadline to complete expedited review
February 25, 2016	Commission statutory deadline to complete full review

RESPONSES TO THE COMMISSION’S NOTICE OF INSTITUTION

Individual responses

The Commission received one submission in response to its notice of institution in the subject reviews. It was filed on behalf of L.K. Bowman, Co. (“L.K. Bowman”), a division of Hanover Foods Corporation; Monterey Mushrooms Inc. (“Monterey”); and The Mushroom Co.

¹ 19 U.S.C. 1675(c).

² *Preserved Mushrooms From Chile, China, India, And Indonesia; Institution of a Five-Year Review*, 80 FR 11221, March 2, 2015.

In accordance with section 751(c) of the Act, the U.S. Department of Commerce (“Commerce”) published a notice of initiation of a five-year review of the subject antidumping duty order concurrently with the Commission’s notice of institution. *Initiation of Five-Year (“Sunset”) Review*, 80 FR 11164, March 2, 2015. Pertinent *Federal Register* notices are referenced in app. A, and may be found at the Commission’s website (www.usitc.gov).

³ As part of their response to the notice of institution, interested parties were requested to provide a list of three to five leading purchasers in the U.S. market for the subject merchandise. Appendix D presents the responses received from purchaser surveys mailed to the purchasers identified in the adequacy phase of these reviews.

(formerly Mushroom Canning Co.) (collectively referred to herein as “domestic interested parties”).^{4 5}

A complete response to the Commission’s notice of institution requires that the responding interested party submit to the Commission all the information listed in the notice. Responding firms are given an opportunity to remedy and explain any deficiencies in their responses. A summary of the number of responses and estimates of coverage for each is shown in the tabulation below.⁶

Table I-1: Summary of Responses to the Commission’s Notice of Institution

Type of interested party	Completed responses	
	Number	Coverage
Domestic	3 ⁷	***% ⁸
Respondent	0	0

⁴ The domestic interested parties are represented by the law firm of Kelley Drye & Warren LLP.

⁵ The domestic interested parties are comprised of the three domestic producers on whose behalf the response to the Commission's notice of institution was filed. Their response includes not only company-specific data from the three producers, *** but also data provided to domestic interested parties’ counsel by domestic producer Giorgio Foods, Inc. (“Giorgio Foods”) and limited data estimated by the domestic interested parties for domestic producer, Sunny Dell Foods, Inc. (“Sunny Dell”)**.*

⁶ The Commission did not receive any responses from importers of the subject merchandise or from producers of the subject merchandise in Chile, China, India, or Indonesia. However, the Commission did receive a letter from the Embassy of Chile on April 24, 2015. Although received after the Commission deadline and not deemed a completed response to its Notice of Institution, The Embassy of Chile did provide limited information about one Chilean producer, Inversiones Bosques del Mauco (“Inversiones Bosques”).

⁷ As indicated earlier, domestic interested parties’ response included data for ***Giorgio Foods and Sunny Dell, two domestic producers who have not entered an appearance in these reviews. The limited data presented for U.S. producer Sunny Dell were estimated by the domestic interested parties. Giorgio Foods stated that it is willing “to cooperate in this review by responding to questionnaires and submitting any other information requested.” Counsel for domestic interested parties also explained that it does not represent Giorgio Foods and the company has not entered an appearance in these reviews. In addition, Giorgio Foods did not provide a certification of accuracy and completeness and did not authorize counsel to release publicly its identity and the fact that it is willing to cooperate with the Commission in these reviews***.

⁸ The coverage figure presented is the estimated share of total U.S. production of certain preserved mushrooms in 2014 accounted for by L.K. Bowman, Monterey, and The Mushroom Co. The estimate was provided by the domestic interested parties in their response to the notice of institution. ***Giorgio Foods provided the domestic interested parties’ counsel with data indicating that it represented 49.5 percent of total U.S. production of preserved mushrooms in 2014. The domestic interested parties estimated that Sunny Dell accounted for 8.5 percent of total U.S. production during 2014***. *Domestic Interested Parties’ response to the Notice of Institution*, (“Response”), April 1, 2015, p. 20.

Party comments on adequacy

The Commission received one submission from parties commenting on the adequacy of responses to the notice of institution and whether the Commission should conduct expedited or full reviews. This submission was filed on behalf of the following entities: (1) L.K. Bowman; (2) Monterey; and (3) The Mushroom Co. The domestic interested parties provided the Commission with comments on the adequacy of responses to the notice of institution and whether the Commission should conduct expedited or full reviews. In its comments, the domestic interested parties indicated that the *** domestic producers accounted for *** percent of U.S. production of the domestic like product and that these producers provided a comprehensive substantive response to the Commission's notice of institution.⁹ The domestic interested parties also filed supplemental information to its response to the notice of institution on April 24, 2015. Therefore, the domestic interested parties argued that the Commission should conclude that the domestic industry's response is adequate on an individual and group basis. The domestic interested parties further argued that the Commission should find the response on behalf of the respondents in these reviews to be inadequate. The domestic interested parties argued that the letter from the Embassy of Chile dated April 24, 2015, is inadequate for the following reasons: (1) The filing was past the deadline published in the March 2, 2015 notice of institution; (2) the letter does not provide the data and information specified by the Commission; (3) the letter stated that the Chilean producer, Inversiones Bosues del Mauco is "not in a position" to participate in these reviews; and (4) no subject foreign producers, exporters, or U.S. importers submitted a response.¹⁰ In addition, the domestic interested parties argued that the only purchaser questionnaire response received during the adequacy phase of these reviews offered no new information that would warrant conducting a full review by the Commission.¹¹ Accordingly, the domestic industry parties requested that the Commission conduct an expedited review of the antidumping orders on preserved mushrooms from Chile, China, India, and Indonesia.¹²

RECENT DEVELOPMENTS IN THE INDUSTRY

Since the Commission's last five-year reviews, the following developments have occurred in the preserved mushrooms industry:

- (1) U.S. producer, Creekside Mushrooms, Ltd., ceased production of preserved mushrooms during the period of review.¹³

⁹ This figure includes the response of ***Giorgio Foods***. *Domestic Interested Parties' Comments on Adequacy*, May 14, 2015, p. 2.

¹⁰ *Ibid.*, pp. 3-5.

¹¹ *Ibid.*, p. 6.

¹² *Ibid.*, p. 6.

¹³ *Domestic Interested Parties' Supplemental Information in Response to the Commission's Email*, April 24, 2015, p. 2.

- (2) In terms of demand, U.S. consumption has continued to decline since the second reviews, partly due to U.S. consumers' preference for fresh mushrooms due to the perception that consuming fresh mushrooms are healthier than preserved.¹⁴

THE PRODUCT

Commerce's scope

Commerce has defined the subject merchandise in its continuation orders as:

The products covered under the mushrooms orders are imported whole, sliced, diced, or as stems and pieces. The "preserved mushrooms" covered under the orders are the species *Agaricus bisporus* and *Agaricus bitorquis*. "Preserved mushrooms" refer to mushrooms that have been prepared or preserved by cleaning, blanching, and sometimes slicing or cutting. These mushrooms are then packed and heated in containers, including but not limited to cans or glass jars in a suitable liquid medium, including but not limited to water, brine, butter or butter sauce. Included within the scope of these orders are "brined" mushrooms, which are presalted and packed in a heavy salt solution to provisionally preserve them for further processing. Also included within the scope of these orders, as of June 19, 2000, are marinated, acidified, or pickled mushrooms containing less than 0.5 percent acetic acid. Excluded from the scope of these orders are the following: (1) All other species of mushroom, including straw mushrooms; (2) all fresh and chilled mushrooms, including "refrigerated" or "quick blanched mushrooms"; (3) dried mushrooms; and (4) frozen mushrooms.¹⁵

Description and uses¹⁶

The imported product subject to the antidumping duty orders under review, as defined by Commerce, consists of certain preserved mushrooms of the species *Agaricus bisporus* and *Agaricus bitorquis* that have been prepared or preserved by cleaning, blanching, and sometimes slicing or cutting. These mushrooms are then packed and heated in containers, including but not limited to cans or glass jars in a suitable liquid medium, including but not limited to water, brine, butter, or butter sauce. These mushrooms are imported whole, sliced, diced, or as stems and pieces. Included within the scope of the antidumping duty orders are "brined" mushrooms, which are presalted and packed in a heavy salt solution to provisionally preserve them for further processing. Also included in the scope of the antidumping orders are marinated, acidified, or pickled mushrooms containing less than 0.5 percent acetic acid.

¹⁴ *Domestic Interested Parties' response to the Notice of Institution*, ("Response"), April 1, 2015, p. 21.

¹⁵ *Certain Preserved Mushrooms from Chile, India, Indonesia, and the People's Republic of China: Notice of Continuation of Antidumping Duty Orders*, 75 FR 22369, April 28, 2010.

¹⁶ Unless otherwise noted, this information is based on *Certain Preserved Mushrooms from Chile, China, India, and Indonesia, Inv. Nos. 731-TA-776-779 (Second Review)*, USITC Publication 4135, April 2010, pp. I-9 through I-10.

The term “certain preserved mushrooms” does not include: (1) all other species of mushroom, including straw mushrooms (HTS statistical reporting number 2003.90.0010); (2) all fresh and chilled mushrooms (HTS subheading 0709.51.01), including “refrigerated” or “quick blanched” mushrooms; (3) dried mushrooms (HTS subheading 0712.31.00); and (4) frozen mushrooms (HTS subheading 0710.80.20).

Physical characteristics, processing operations, and end uses¹⁷

The imported and domestic products covered in these reviews are preserved mushrooms of the *Agaricus bisporus* and *Agaricus bitorquis* (collectively “*Agaricus*”) species.¹⁸ Raw *Agaricus* mushrooms used to produce the subject preserved mushrooms are often white but may also include off-white (cream and brown) mushrooms.¹⁹ U.S. mushroom growers sell most of their mushrooms in the fresh market, whereas approximately 13 percent annually of all *Agaricus* mushrooms grown in the United States are sold for processing.²⁰ The largest, best formed mushrooms are generally sold on the fresh market for prices higher than those for processing grade mushrooms, resulting in medium to small, broken or blemished mushrooms being more readily available for canning.²¹ Domestic industry sources have stated that in times of oversupply to the fresh market, fresh-market-quality mushrooms that would otherwise be sold to a retailer or food-service buyer to be used in the fresh form might instead be diverted to a processor.²²

In general, mushroom processing involves the cleaning, grading, sorting, sometimes slicing or dicing, blanching, packing in a liquid medium (including water, brine, and butter or butter sauce) in airtight containers, and heating or retorting (preserved by heat sterilization) in cans or jars.²³ Due to the perishable nature of raw mushrooms, they are generally processed within 24 hours after harvest.²⁴ Fresh mushrooms for processing are cleaned, inspected, and weighed, and then washed with plain water and blanched (cooked) to an internal temperature

¹⁷ Unless otherwise noted this information is based on *Certain Preserved Mushrooms from Chile, China, India, and Indonesia, Inv. Nos. 731-TA-776-779 (Second Review)*, USITC Publication 4135, April 2010, pp. I-10 through I-11.

¹⁸ *Certain Preserved Mushrooms from Chile*, Investigation No. 731-TA-776 (Final), USITC Publication 3144, November 1998, p. I-1, and *Certain Preserved Mushrooms from China, India, and Indonesia, Investigation Nos. 731-TA-777-779 (Final)*, USITC Publication 3159, February 1999, p. I-4.

¹⁹ *Certain Preserved Mushrooms from Chile, Investigation No. 731-TA-776 (Final)*, USITC Publication 3144, November 1998, p. I-3.

²⁰ U.S. mushroom growers reported sales of the 2013-14 *Agaricus* mushroom crop to be approximately 882 million pounds. Of the total, 769 million pounds (87 percent) were sold for the fresh market, and 113 million pounds (13 percent) were sold the processing market. U.S. Department of Agriculture (USDA), National Agricultural Statistics Service (NASS), *Mushrooms*, August 20, 2014.

²¹ *Certain Preserved Mushrooms from Chile, China, India, and Indonesia, Inv. Nos. 731-TA-776-779 (Second Review)*, USITC Publication 4135, April 2010, p. I-10.

²² *Certain Preserved Mushrooms from Chile, China, India, and Indonesia, Inv. Nos. 731-TA-776-779 (Second Review)*, USITC Publication 4135, April 2010, p. I-10.

²³ *Ibid.*

²⁴ *Ibid.*

of at least 180 degrees for 7-8 minutes.²⁵ The mushrooms may be sliced before passing through a volumetric filler machine, which fills the can or jar with mushrooms and the packing media (which may include such things as water, a light salt water solution, ascorbic acid, or other preservatives).²⁶ The container is vacuum-sealed with a metal lid and the cans or jars are heated in a retort cooker until the contents reach commercial sterility.²⁷ Processed mushrooms are generally tan or gray in color, have a slightly salty taste, and a soft texture. Mushrooms packed in jars are usually in small container sizes ranging from 2.5 to 8 ounces. Mushrooms packed in cans are packed predominantly in larger container sizes of 16 ounces and 68 ounces, but also are packed in 4- and 8-ounce cans.

Processed mushrooms are generally sold in three styles of pack: whole (including buttons),²⁸ sliced and diced, or stems and pieces. Most of the U.S. market for canned mushrooms prefers stems and pieces, which especially predominate in the industrial and institutional/food-service market. The three main types of purchasers of certain preserved mushrooms are industrial users, food-service customers, and retailers. Industrial customers generally use canned mushrooms to produce other food products, such as brand-name and private-label soups and spaghetti sauces, and typically buy large volumes of canned mushrooms in large containers. Food-service users, including major pizza chains, other restaurants, and distributors for institutional applications, also purchase large quantities of large-volume containers. Finally, retail outlets, including grocery stores, sell mainly mushrooms packed in jars and 4- and 8-ounce cans.²⁹

U.S. tariff treatment

The subject preserved mushrooms are currently imported under HTS statistical reporting numbers 2003.10.0127, 2003.10.0131, 2003.10.0137, 2003.10.0143, 2003.10.0147, and 2003.10.0153 and subheading 0711.51.0000. Such preserved mushrooms enter the U.S. market at a column 1-general duty rate of 6¢/kg on drained weight plus 8.5 percent ad valorem under HTS subheading 2003.10.01 or at 5.7¢/kg on drained weight plus 8 percent under HTS subheading 0711.51.0000.

²⁵ The blanching process shrinks the mushrooms by about 40 percent as raw mushrooms consist of about 94-percent water and excess moisture is lost during this process.

²⁶ *Certain Preserved Mushrooms from Chile, China, India, and Indonesia, Inv. Nos. 731-TA-776-779 (Second Review)*, USITC Publication 4135, April 2010, p. I-11.

²⁷ Canned mushrooms generally have a shelf life of up to 3 years.

²⁸ Buttons are small whole mushrooms with the stems removed manually. *Certain Preserved Mushrooms from Chile, China, India, and Indonesia, Inv. Nos. 731-TA-776-779 (Second Review)*, USITC Publication 4135, April 2010, p. I-11.

²⁹ *Ibid.*

The definition of the domestic like product

The domestic like product is defined as “a product which are like, or in the absence of like, most similar in characteristics and uses with the article subject to an investigation.”³⁰ In its original determinations first full five-year reviews, and second expedited five-year reviews determinations, the Commission found one domestic like product consisting of preserved mushroom coextensive with the scope definition.^{31 32}

In its notice of institution for this review, the Commission solicited comments from interested parties regarding the appropriate domestic like product. According to their response to the notice of institution, the domestic interested parties support the definition of the domestic like product used in the original investigations and prior reviews.³³

THE ORIGINAL INVESTIGATION AND SUBSEQUENT REVIEWS

The original investigations

The original investigations resulted from a petition filed on January 6, 1998 with Commerce and the Commission by (1) L.K. Bowman, Inc., Nottingham, Pennsylvania; (2) Modern Mushroom Farms, Inc., Toughkenamon, Pennsylvania; (3) Monterey Mushrooms, Inc.,

³⁰ 19 U.S. C. § 1677 (10).

³¹ *Certain Preserved Mushrooms from Chile, Investigation No. 731-TA-776 (Final)*, USITC Publication 3144, November 1998, pp. 3-6; *Certain Preserved Mushrooms from Chile, China, India, and Indonesia, Inv. Nos. 731-TA-776-779 (Review)*, USITC Publication 3731, October 2004, pp. 4-5; and *Certain Preserved Mushrooms from Chile, China, India, and Indonesia, Inv. Nos. 731-TA-776-779 (Second Review)*, USITC Publication 4135, April 2010, pp. 4-5.

³² In the final phase of the original investigations, two domestic like product issues were raised by respondents: (1) broadening the definition of the domestic like product (and the domestic industry considered) to include fresh mushrooms; and (2) broadening the definition of the domestic like product to include marinated, acidified, and pickled (“marinated”) mushrooms. In its final determinations, the Commission declined to include fresh or marinated mushrooms and found the domestic like product to be preserved mushrooms. *Certain Preserved Mushrooms from Chile, Inv. No. 73 1-TA-776 (Final)*, USITC Publication 3144, November 1998, pp. 3-6.

With regard to fresh mushrooms, the Commission found that “preserved mushrooms have substantially different characteristics than fresh mushrooms in terms of appearance, flavor, and shelf life; that there are distinct channels of distribution; that fresh and preserved mushrooms are produced using different production facilities, employees, and methods; that customers and producers perceive significant differences between fresh and preserved mushrooms; and that the prices for the products differ substantially.” *Ibid.*, p. 4.

With regard to marinated mushrooms, the Commission found that “although preserved mushrooms and marinated mushrooms share some common channels of distribution and production facilities, they have different tastes that limit marinated mushrooms’ end uses, very limited interchangeability, are perceived to be different products by both producers and customers, and sell in different price ranges. We believe that the distinction between preserved mushrooms and marinated mushrooms establish a ‘clear dividing line.’” *Ibid.*, p. 6.

³³ *Domestic Interested Parties’ Response to the Notice of Institution*, April 1, 2015, p. 21.

Watsonville, California; (4) Mount Laurel Canning Corp., Temple, Pennsylvania; (5) Mushroom Canning Co., Kennett Square, Pennsylvania; (6) Southwood Farms,³⁴ Hockessin, Delaware; (7) Sunny Dell Foods, Inc., Oxford, Pennsylvania; and (8) United Canning Corp., North Lima, Ohio, alleging that an industry in the United States was materially injured and threatened with further material injury by reason of less-than-fair-value ("LTFV") imports of preserved mushrooms from Chile, China, India, and Indonesia.³⁵ On October 19, 1998, Commerce made an affirmative final LTFV determination regarding preserved mushrooms from Chile,³⁶ and on December 28, 1998, Commerce made affirmative final LTFV determinations regarding preserved mushrooms from China, India, and Indonesia.³⁷ The Commission completed its original investigation concerning preserved mushrooms from Chile on November 25, 1998,³⁸ and completed its original investigations concerning preserved mushrooms from China, India, and Indonesia on February 11, 1999,³⁹ determining that an industry in the United States was materially injured by reason of LTFV imports of preserved mushrooms from Chile, China, India, and Indonesia. Commerce issued an antidumping duty order on imports of preserved mushrooms from Chile on December 2, 1998,⁴⁰ and issued antidumping duty orders on imports of preserved mushrooms from China, India, and Indonesia on February 19, 1999.^{41 42}

Data compiled during the original investigations and subsequent reviews are presented in appendix C.

The first full five-year reviews

On November 3, 2003, the Commission instituted its first five-year reviews to determine whether revocation of the antidumping duty orders on preserved mushrooms from Chile, China, India, and Indonesia would likely lead to the continuation or recurrence of material

³⁴ Southwood Farms joined the petition on March 9, 1998.

³⁵ *Certain Preserved Mushrooms from Chile*, Investigation No. 731-TA-776 (Final), USITC Publication 3144, November 1998, p. I-1, and *Certain Preserved Mushrooms from China, India, and Indonesia*, Investigation Nos. 731-TA-777-779 (Final), USITC Publication 3159, February 1999, p. I-1.

³⁶ *Notice of Final Determination of Sales at Less Than Fair Value: Certain Preserved Mushrooms from Chile*, 63 FR 56613, October 22, 1998.

³⁷ *Notice of Final Determination of Sales at Less Than Fair Value: Certain Preserved Mushrooms from India*, 63 FR 72246, December 31, 1998.

³⁸ *Certain Preserved Mushrooms From Chile: Determination*, 63 FR 66575, December 2, 1998.

³⁹ *Certain Preserved Mushrooms From China, India, and Indonesia: Determinations*, 64 FR 9178, February 24, 1999.

⁴⁰ *Notice of Antidumping Duty Order: Certain Preserved Mushrooms from Chile*, 63 FR 66529, December 2, 1998.

⁴¹ *Notice of Amendment of Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Certain Preserved Mushrooms from the People's Republic of China*, 64 FR 8308, *Notice of Amendment of Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Certain Preserved Mushrooms from India*, 64 FR 8311, and *Notice of Antidumping Duty Order: Certain Preserved Mushrooms from Indonesia*, 64 FR 8310, February 19, 1999.

⁴² On February 1, 2002, Commerce revoked the antidumping duty order with respect to PT Zeta Agro Corp. (Indonesia).

injury to a domestic industry.⁴³ ⁴⁴ On February 6, 2004, the Commission determined that it would conduct full reviews.⁴⁵ On March 10, 2004, Commerce made affirmative expedited review determinations regarding imports of preserved mushrooms from Chile, China, India, and Indonesia.⁴⁶ On October 28, 2004, the Commission determined that revocation of the antidumping duty orders on preserved mushrooms from Chile, China, India, and Indonesia, would be likely to lead to a continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.⁴⁷ On November 8, 2004, Commerce issued a continuation of the antidumping duty order on imports of preserved mushrooms from Chile, China, India, and Indonesia.⁴⁸

The second expedited five-year reviews

On October 1, 2009, the Commission gave notice that it had instituted five-year reviews to determine whether revocation of the antidumping duty orders on preserved mushrooms from Chile, China, India, and Indonesia would be likely to lead to a continuation or recurrence of material injury within a reasonably foreseeable time.⁴⁹ On January 4, 2010, the Commission determined that it would conduct expedited reviews.⁵⁰ On March 26, 2010, the Commission determined that revocation of the antidumping duty orders on preserved mushrooms from Chile, China, India, and Indonesia, would be likely to lead to a continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.⁵¹

⁴³ *Institution of five-year reviews concerning the antidumping duty orders on preserved mushrooms from Chile, China, India, and Indonesia*, 68 FR 62322, November 3, 2003.

⁴⁴ In accordance with section 751(c) of the Act, the U.S. Department of Commerce ("Commerce") published a notice of initiation of five-year reviews of the subject antidumping duty orders concurrently with the Commission's notice of institution. *Notice of initiation of five-year ("sunset") reviews*, 68 FR 62280, November 3, 2003.

⁴⁵ *Notice of Commission Determinations to Conduct Full Five-Year Reviews Concerning the Antidumping Duty Orders on Preserved Mushrooms from Chile, China, India, and Indonesia*, 69 FR 7793, February 19, 2004.

⁴⁶ *Notice Of Final Results of Expedited Sunset Reviews of Antidumping Duty Orders On Certain Preserved Mushrooms From Chile, India, Indonesia, And The People's Republic Of China*, 69 FR 11384, March 10, 2004.

⁴⁷ *Certain Preserved Mushrooms from Chile, China, India, and Indonesia: Determinations*, 69 FR 63408, November 1, 2004.

⁴⁸ *Continuation of Antidumping Duty Orders on Certain Preserved Mushrooms from Chile, the People's Republic of China, India, and Indonesia*, 69 FR 67308, November 17, 2004.

⁴⁹ *Institution of Five-Year Reviews Concerning the Antidumping Duty Orders on Preserved Mushrooms from Chile, China, India, and Indonesia*, October 1, 2009.

⁵⁰ *Scheduling of Expedited Five-Year Reviews Concerning the Antidumping Duty Orders on Preserved Mushrooms from Chile, China, India, and Indonesia*, 75 FR 3756, January 22, 2010.

⁵¹ *Preserved Mushrooms from Chile, China, India, and Indonesia; Determinations*, 75 FR 19658, April 15, 2010.

Commerce issued a continuation of the antidumping duty order on imports of preserved mushrooms from Chile, China, India, and Indonesia.⁵²

Prior related investigations

Preserved mushrooms have not been the subject of any prior antidumping or countervailing duty investigations in the United States.

ACTIONS AT COMMERCE

Scope rulings

Since the issuance of the antidumping orders, Commerce has issued two scope rulings with regard to preserved mushrooms. On July 13, 1999, Commerce determined that preserved mushrooms produced in third countries from provisionally preserved mushrooms produced in Chile were within the scope of the antidumping orders.⁵³ On June 19, 2000, Commerce determined that “marinated or acidified mushrooms with an acetic acid content under 0.5 percent” were within the scope of the antidumping orders.⁵⁴

Changed circumstances reviews

Commerce has conducted one changed circumstance review with regard to preserved mushrooms from India. Commerce determined that KICM (Madras) Limited is the successor-in-interest to Hindustan Lever Limited for purposes of determining antidumping duty liability.⁵⁵

Duty absorption findings

Commerce found duty absorption in its fourth administrative review of the antidumping duty order on subject imports from China.⁵⁶ Commerce has not made duty absorption findings with respect to the antidumping duty orders on subject imports from Chile or Indonesia. Commerce rescinded a duty absorption finding that it made concerning the antidumping duty order on subject imports from India pursuant to an order of the Federal Circuit.⁵⁷

⁵² *Certain Preserved Mushrooms from Chile, India, Indonesia, and the People's Republic of China: Notice of Continuation of Antidumping Duty Orders*, 75 FR 22369, April 28, 2010.

⁵³ *Notice of Scope Rulings*, 65 FR 41957, July 7, 2000.

⁵⁴ *Notice of Scope Rulings*, 65 FR 52409, August 29, 2000.

⁵⁵ *Certain Preserved Mushrooms from India: Final Results of Changed-Circumstances Review*, 68 FR 6884, February 11, 2003.

⁵⁶ *Certain Preserved Mushrooms From the People's Republic of China: Final Results of Sixth Antidumping Duty New Shipper Review and Final Results and Partial Rescission of the Fourth Antidumping Duty Administrative Review*, 69 FR 54635, September 9, 2004.

⁵⁷ *Certain Preserved Mushrooms from Chile, China, India, and Indonesia, Inv. Nos. 731-TA-776-779 (Second Review)*, USITC Publication 4135, April 2010, p. 16, fn. 95. See *Issues and Decision Memorandum from John M. Andersen to Ronald K. Lorentzen on Expedited Second Sunset Reviews (Dec. 14, 2009)*.

Current review results

Commerce notified the Commission that it had not received adequate responses from respondent interested parties to its notice of initiation of the current five-year reviews of the antidumping duty orders on imports of preserved mushrooms from Chile, China, India, or Indonesia. Consequently, it intends to conduct expedited reviews of the orders and to issue its final determinations by June 30, 2015.⁵⁸

THE INDUSTRY IN THE UNITED STATES

U.S. producers

In the original investigations, the U.S. preserved mushroom industry was comprised of 13 producers.⁵⁹ After the original investigations, the structure of the domestic industry changed substantially through company closures and acquisitions.⁶⁰ By the time of the Commission's first full five-year reviews of the orders completed in October 2004, the domestic industry consisted of six producers: Creekside, Giorgio Foods, L.K. Bowman, Monterey, Mushroom Canning, and Sunny Dell.⁶¹ During the second expedited five-year reviews, the domestic industry consisted of the same six domestic producers of preserved mushrooms. No company entered or exited the industry from 2004 to 2008. Mushroom Canning Company changed its name to The Mushroom Co. in November 2006 and Son Top LLC became the mushroom processing facility of Creekside Mushrooms, Ltd.⁶²

In response to the Commission's notice of institution in these third reviews, the domestic interested parties reported that in addition to the three responding domestic interested parties (L.K. Bowman, Monterey, and The Mushroom Company) there are two other current producers of preserved mushrooms in the United States: Giorgio Foods and Sunny Dell. Domestic interested parties reported that Creekside has not produced certain preserved mushrooms at any point from 2010 to 2014.⁶³

⁵⁸ *Letter to Catherine DeFilippo, Director, Office of Investigations, U.S. International Trade Commission from Irene Darzenta Tzafolias, Acting Director, Office II, AD/CVD Operations, Enforcement and Compliance, U.S. Department of Commerce International Trade Administration, April 20, 2015.*

⁵⁹ *Certain Preserved Mushrooms from Chile, Investigation No. 731-TA-776 (Final), USITC Publication 3144, November 1998, p. III-1.*

⁶⁰ Ron Son ***closed its mushroom processing facility in 1998***; Mount Laurel Canning was purchased by Monterrey in 1998; Modern Mushrooms closed its cannery operation in 2000; Southwood Farms ceased company operations in 2002; and ***the assets of United Canning were purchased by Creekside Mushrooms, Ltd. ("Creekside ") in 2003***. *Confidential Staff Report, INV-HH-017, March 9, 2010, p. I-17.*

⁶¹ *Confidential Staff Report, INV-BB-123, October, 2004, p. I-21.*

⁶² *Confidential Staff Report, INV-HH-017, March 9, 2010, p. I-17.*

⁶³ *Domestic Interested Parties' Supplemental Information in Response to the Commission's Email, April 24, 2015, p. 2.*

Definition of the domestic industry and related parties issues

The domestic industry is defined as the U.S. “producers as a whole of the domestic like product, or those producers whose collective output of the domestic like product constitutes a major proportion of the total domestic production of that product.”⁶⁴ In its original determinations, first full five-year reviews, and second expedited five-year reviews, the Commission defined the domestic industry to consist of all domestic producers of preserved mushrooms.^{65 66} In these third five-year reviews, the domestic interested parties stated that they agree with the Commission's earlier domestic industry determinations.⁶⁷

In terms of related parties, the domestic interested parties reported that none of the domestic producers is related to a foreign producer/exporter or to an importer of preserved mushrooms. In addition, none of the participating producers, ***, imported preserved mushrooms from 2010 to 2014.⁶⁸

U.S. producers' trade and financial data

The Commission asked domestic interested parties to provide trade and financial data in their response to the notice of institution of the current five-year reviews.⁶⁹ Table I-1 presents a

⁶⁴ 19 U.S.C. § 1677 (4) (a).

⁶⁵ In the original investigations, first reviews, and second expedited reviews, the Commission considered whether to include growers of fresh mushrooms. In each of these proceedings, the Commission concluded that growers of fresh mushrooms should not be included in the domestic industry pursuant to the statutory grower/processor provision. Only a minority of fresh mushrooms was processed in any manner. Consequently, the raw product was not substantially or completely devoted to the production of the processed product. Thus, the requirement of the statutory grower/processor provision that there be a single continuous line of production was not satisfied. *Certain Preserved Mushrooms from Chile*, Investigation No. 731-TA-776 (Final), USITC Publication 3144, November 1998, pp. 3-6; *Certain Preserved Mushrooms from Chile, China, India, and Indonesia, Inv. Nos. 731-TA-776-779 (Review)*, USITC Publication 3731, October 2004, p. 5-6; and *Certain Preserved Mushrooms from Chile, China, India, and Indonesia, Inv. Nos. 731-TA-776-779 (Second Review)*, USITC Publication 4135, April 2010, pp. 5-6.

⁶⁶ In the original determinations, the Commission majority did not exclude any producers from the domestic industry pursuant to the related parties provisions. Commissioners Crawford and Askey, however, defined the domestic industry by excluding ***Giorgio Foods*** and ***Ron Son Foods*** from the definition under the related parties provision. In the first full five-year reviews and the second expedited five-year reviews, the Commission determined that appropriate circumstances did not exist to exclude any producers from the domestic industry as a related party. *Certain Preserved Mushrooms from Chile, Investigation No. 731-TA-776 (Final)*, USITC Publication 3144, November 1998, pp. 7-9; *Certain Preserved Mushrooms from Chile, China, India, and Indonesia, Inv. Nos. 731-TA-776-779 (Review)*, USITC Publication 3731, October 2004, pp. 4-5; and *Certain Preserved Mushrooms from Chile, China, India, and Indonesia, Inv. Nos. 731-TA-776-779 (Second Review)*, USITC Publication 4135, April 2010, p. 10.

⁶⁷ *Domestic Interested Parties' Response to the Notice of Institution*, April 1, 2015, p. 21.

⁶⁸ *Domestic Interested Parties' Response to the Notice of Institution*, April 1, 2015, p. 18.

⁶⁹ Individual company trade and financial data are presented in Appendix B.

compilation of the data submitted from the three responding U.S. producers and *** as well as trade and financial data submitted by U.S. producers in the original investigations, first and second five-year reviews.

Table I-2

Preserved mushrooms: trade and financial data submitted by U.S. producers, 1995-97, 2003, 2008, and 2014

Quantity=1,000 pounds; value=1,000 dollars; Unit values, unit labor costs, and unit financial data are per pound						
Item	1995	1996	1997	2003	2008	2014
Capacity	214,973	223,735	203,523	200,044	176,757	142,183
Production	107,711	84,936	74,711	50,161	44,726	26,855
Capacity utilization	50.1	38.0	36.7	25.1	25.3	18.9
U.S. commercial shipments:						
Quantity	95,274	91,865	74,642	47,687	35,170	36,578
Value	142,013	121,084	90,279	55,722	51,944	65,525
Unit value	\$1.49	\$1.32	\$1.21	\$1.17	\$1.48	\$1.79
Net sales (\$1,000)	142,110	122,323	94,012	58,139	49,387	65,850
COGS (\$1,000)	121,721	105,728	81,957	55,543	41,013	57,761
COGS/Net Sales	134.0	116.8	107.8	95.5	83.0	87.7
Gross profit or (loss) (\$1,000)	20,389	16,595	12,055	2,596	8,374	8,089
SG&A expenses (loss) (\$1,000)	12,868	12,067	10,815	4,150	4,287	4,900
Operating income/(loss) (\$1,000)	7,521	4,528	1,240	(1,554)	4,087	3,190
Operating income (loss)/Net sales	8.3	5.0	1.6	(2.7)	8.3	4.8

Source: For the years 1995-97, 2003, and 2008 data are compiled using data submitted in the Commission's second five-year reviews. See appendix C. For the year 2014, data are compiled using data submitted by domestic interested parties and ***. *Domestic Interested Parties' Response to the Notice of Institution*, April 1, 2015, exh. 13.

U.S. IMPORTS AND APPARENT CONSUMPTION

U.S. importers

In the final phase of the original investigations, the Commission received questionnaires from 33 importers of preserved mushrooms, representing 82 percent of subject imports in 1997. In the Commission's first full five-year reviews, 19 importers responded accounting for *** percent of subject imports in 2003. In its response to the Commission's notice of institution in the second expedited five-year reviews and the current third five-year reviews, the domestic interested parties listed 157 U.S. importers of preserved mushrooms.^{70 71}

U.S. imports

Table 1-3 presents U.S. import data on preserved mushrooms from 1995-97, 2003, 2008, and 2014. Once the orders were issued in late 1998 and early 1999, imports from Chile exited the market. In 2008, imports from China and India exceeded the pre-order level of imports, while subject imports from Indonesia were less than half of pre-order levels. From 2003 to 2008 imports of preserved mushrooms from China increased by 73.4 percent, imports from India decreased by 23.7 percent, and imports from Indonesia increased by *** percent. At the same time, the value of these imports increased by 147.9 percent (China), 22.9 percent (India), and *** percent (Indonesia).⁷² From 2008 to 2014 imports of preserved mushrooms from China, India, and Indonesia declined dramatically and no imports of preserved mushrooms from Chile were reported in the U.S. market.

⁷⁰ *Confidential Staff Report*, INV-HH-017, March 9, 2010, p. I-20.

⁷¹ *Domestic Interested Parties' Response to the Notice of Institution*, April 1, 2015, exh. 11.

⁷² *Confidential Staff Report*, INV-HH-017, March 9, 2010, p. I-20.

Table I-3
Preserved mushrooms: U.S. imports, 1995-97, 2003, 2008, and 2014

Item	1995	1996	1997	2003	2008	2014
	Quantity (1,000 pounds)					
Chile	10,660	7,101	5,429	0	0	0
China	66,923	67,491	67,209	48,139	83,460	8,894
India	5,951	4,368	9,949	27,010	20,606	1,282
Indonesia ¹	30,756	26,893	31,791	12,481	14,214	5,595
Subject imports	114,290	105,854	114,379	87,630	118,279	15,771
All other imports (nonsubject) ²	30,490	20,025	15,490	52,587	25,503	63,843
Total imports	144,780	125,879	129,869	140,216	143,783	79,614
	Landed, duty-paid value (\$1,000)					
Chile	11,661	7,990	6,252	0	0	0
China	77,071	63,038	55,701	43,339	107,443	14,327
India	8,065	5,400	10,069	21,997	27,044	968
Indonesia ¹	47,648	35,197	37,269	14,594	22,173	10,399
Subject imports	144,446	111,625	109,29	79,931	156,660	25,695
All other imports (nonsubject) ²	40,985	23,811	18,447	51,676	30,634	97,291
Total imports	185,430	135,436	127,737	131,607	187,294	122,986

¹ U.S. imports from Indonesia for 2003 and 2008 were adjusted to remove U.S. imports originating from PT Zeta Agro, an Indonesian firm for which Commerce revoked the order effective February 1, 2002, using proprietary data provided by Customs. In 2014, according to propriety Customs data, ***.

² In 2003 and 2008, U.S. imports from nonsubject sources included U.S. imports from Indonesia originating from PT Zeta Agro.

Note.--Because of rounding, figure may not add to total shown.

Source: For 1995-97, U.S. imports are compiled using data submitted in response to Commission questionnaires (for subject and nonsubject U.S. imports from Indonesia) and official Commerce statistics (for imports from all other countries). *Confidential Staff Report, INV-V-089*, November 5, 1998, table IV-2.

U.S. import data for 2003 and 2008 are compiled using adjusted Commerce statistics. U.S. imports from Indonesia in the first and second five-year reviews were adjusted using proprietary data from Customs to remove U.S. imports from PT Zeta Agro from U.S. imports from Indonesia. *Confidential Staff Report, INV-BB-123*, October 4, 2004, tables I-4 and I-5, and *Confidential Staff Report, INV-HH-017*, March 9, 2010, table I-2.

U.S. imports data for 2014 are compiled using official Commerce statistics for HTS statistical reporting numbers 2003.10.0127, 2003.10.0131, 2003.10.0137, 2003.10.0143, 2003.10.0147, 2003.10.0153, and 0711.51.0000. See also *Domestic Interested Parties' Response to the Notice of Institution*, April 1, 2015, exh. 1.

Apparent U.S. consumption and market shares

Table I-4 presents data on U.S. producers' U.S. shipments, U.S. imports, and apparent U.S. consumption, while table I-5 presents data on U.S. market shares of U.S. apparent consumption.

Table I-4

Preserved mushrooms: U.S. producers' U.S. shipments, U.S. imports, and apparent U.S. consumption, 1995-97, 2003, 2008, and 2014

Item	1995	1996	1997	2003	2008	2014
	Quantity (1,000 pounds)					
U.S. producers' U.S. shipments	95,274	91,865	74,642	47,687	35,170	36,578
U.S. imports from—						
Chile	10,660	7,101	5,429	0	0	0
China	66,923	67,491	67,209	48,139	83,460	8,894
India	5,951	4,368	9,949	27,010	20,606	1,282
Indonesia ¹	30,756	26,893	31,791	12,481	14,214	5,595
Subject imports	114,290	105,854	114,379	87,630	118,279	15,771
All other imports (nonsubject) ²	30,490	20,025	15,490	52,587	25,503	63,843
Total imports	144,780	125,879	129,869	140,216	143,783	79,614
Apparent U.S. consumption	240,054	217,744	204,511	187,903	178,953	116,192
	Value (1,000 dollars)					
U.S. producers' U.S. shipments	142,013	121,084	90,279	55,722	51,944	65,525
U.S. imports from—						
Chile	11,661	7,990	6,252	0	0	0
China	77,071	63,038	55,701	43,339	107,443	14,327
India	8,065	5,400	10,069	21,997	27,044	968
Indonesia ¹	47,648	35,197	37,269	14,594	22,173	10,399
Subject imports	144,446	111,625	109,290	79,931	156,660	25,695
All other imports (nonsubject) ²	40,985	23,811	18,447	51,676	30,634	97,291
Total imports	185,430	135,436	127,737	131,607	187,294	122,986
Apparent U.S. consumption	327,443	256,520	218,016	187,329	239,238	188,511

¹ U.S. imports from Indonesia for 2003 and 2008 were adjusted to remove U.S. imports originating from PT Zeta Agro, an Indonesian firm for which Commerce revoked the order effective February 1, 2002, using proprietary data provided by Customs. In 2014, according to propriety Customs data, ***.

² In 2003 and 2008, U.S. imports from nonsubject sources included U.S. imports from Indonesia originating from PT Zeta Agro.

Note.--Because of rounding, figure may not add to total shown.

Source: See source of data for table I-3.

Table I-5

Preserved mushrooms: Apparent U.S. consumption and U.S. market shares, 1995-97, 2003, 2008, and 2013

Item	1995	1996	1997	2003	2008	2014
	Quantity (1,000 pounds)					
Apparent U.S. consumption	240,054	217,744	204,511	187,903	178,953	116,192
	Value (1,000 dollars)					
Apparent U.S. consumption	327,443	256,520	218,016	187,329	239,238	188,511
	Share of consumption based on quantity (percent)					
U.S. producer's share	39.7	42.2	36.5	25.4	19.7	31.5
U.S. imports from--						
Chile	4.4	3.3	2.7	0.0	0.0	0.0
China	27.9	31.0	32.9	25.6	46.6	7.7
India	2.5	2.0	4.9	14.4	11.5	1.1
Indonesia ¹	12.8	12.4	15.5	6.6	7.9	4.8
Subject imports	47.6	48.6	55.9	46.6	66.1	13.6
All other imports (nonsubject) ²	12.7	9.2	7.6	28.0	14.3	54.9
Total imports	60.3	57.8	63.5	74.6	80.3	68.5
	Share of consumption based on value (percent)					
U.S. producer's share	43.4	55.6	44.1	29.7	29.0	34.8
U.S. imports from--						
Chile	3.6	3.7	3.1	0.0	0.0	0.0
China	23.5	29.0	27.2	23.1	60.0	7.6
India	2.5	2.5	4.9	11.7	15.1	0.5
Indonesia ¹	14.6	16.2	18.2	7.8	12.4	5.5
Subject imports	44.1	51.3	53.4	42.5	87.5	13.6
All other imports (nonsubject) ²	12.5	10.9	9.0	27.5	17.1	51.6
Total imports	56.6	62.2	62.5	70.0	104.7	65.2

¹ U.S. imports from Indonesia for 2003 and 2008 were adjusted to remove U.S. imports originating from PT Zeta Agro, an Indonesian firm for which Commerce revoked the order effective February 1, 2002, using proprietary data provided by Customs. In 2014, according to proprietary Customs data, ***.

² In 2003 and 2008, U.S. imports from nonsubject sources included U.S. imports from Indonesia originating from PT Zeta Agro.

Note.--Because of rounding, figure may not add to total shown.

Source: See source of data for table I-3.

THE INDUSTRY IN CHILE

In the original investigations, the only known producer of preserved mushrooms in Chile, Nature's Farm Products (Chile), S.A. ("Nature's Farm") provided data to the Commission. In the first full five-year reviews, Nature's Farm did not provide the Commission with a response to its questionnaire. In the second expedited five-year reviews, the domestic interested parties identified two firms they believed to be producing the subject merchandise in Chile: Nature's Farm and Discom International Ltda. The domestic interested parties reported that Chile exported 5.0 million pounds of canned mushrooms valued at \$4.4 million in 2008.⁷³

In these third five-year reviews, the Embassy of Chile provided a letter to the Commission on April 24, 2015, stating that the company involved in the original investigations, Nature's Farm, went bankrupt in 2001. Its assets were sold to Inversiones Bosques, the only current producer and exporter of preserved mushrooms in Chile. The Embassy of Chile reported that Inversiones Bosques stated recently that "they are not interested in the U.S. market, they have never exported to the U.S. so they did not participate in previous revisions (sic; reviews) and they are not in a position to participate" for these current third five-year reviews. The Embassy of Chile noted that the existing U.S. antidumping duty order on preserved mushrooms has been "used as an argument in other markets for claiming that Chilean exports of preserved mushrooms are dumped."⁷⁴

The domestic interested parties reported that Inversiones Bosques "remains dedicated to the production, harvesting and marketing of mushrooms, fresh and canned, for the domestic and export markets."⁷⁵

Mushroom production in Chile was 8,818 thousand pounds (4,000 mt) in 2005 (latest available data). Just two companies reportedly supply 90 percent of the market. Approximately 80 percent of Chilean mushroom production is for the fresh market; the remainder is processed.⁷⁶

The Commission's report for the original investigations presented data from the only known producer of preserved mushrooms in Chile, Nature's Farm. In the first full five-year reviews, Nature's Farm did not provide the Commission with a response to its questionnaires.⁷⁷ In its response to the Commission's notice of institution for the second reviews, the domestic interested parties identified two firms they believed to be producing the subject merchandise in Chile: Nature's Farm and Discom International Ltda.⁷⁸ In its response to the Commission's notice of institution for these third reviews, the domestic interested parties reported that it

⁷³ *The Domestic Interested Parties' Response to the Notice of Institution*, November 2, 2009, p. 9 and exh. 2.

⁷⁴ *Letter to Catherine DeFilippo, Director, Office of Investigations, U.S. International Trade Commission from Irene Darzenta Tzafolias, Acting Director, Office II, AD/CVD Operations, Enforcement and Compliance, U.S. Department of Commerce International Trade Administration*, April 20, 2015.

⁷⁵ *Domestic Interested Parties' Response to the Notice of Institution*, April 1, 2015, exh. 3.

⁷⁶ Mushroombusiness.com, "On its Own Two Feet," April 10, 2005 (accessed May 1, 2015).

⁷⁷ *Certain Preserved Mushrooms from Chile, China, India, and Indonesia, Inv. Nos. 731-TA-776-779 (Second Review)*, USITC Publication 4135, April 2010, p. I-22.

⁷⁸ *Ibid.*

believes the firm Inversiones Bosques del Mauco SA (“Nature’s Farm”) to still be producing the subject merchandise in Chile.⁷⁹ Tables I-6 and I-7 provide data on the volume and value of Chilean exports of canned mushrooms during 2010–14.

Table I-6

Preserved mushrooms: Chilean exports by major market, 2010–14 (1,000 lbs)

Item	2010	2011	2012	2013	2014
Venezuela	2,471	3,029	2,518	1,135	1,819
China	0	35	0	0	75
All other	112	40	0	0	0
Total	2,584	3,104	2,518	1,135	1,894

Source: Global Trade Atlas (accessed April 28, 2015). HTS subheading 2003.10.

Table I-7

Preserved mushrooms: Chilean exports by major market, 2010–14 (\$1,000)

Item	2010	2011	2012	2013	2014
Venezuela	2,328	2,955	2,679	1,105	1,849
China	0	33	0	0	66
All other	78	65	0	0	0
Total	2,406	3,053	2,679	1,105	1,915

Source: Global Trade Atlas (accessed April 28, 2015). HTS subheading 2003.10.

⁷⁹ Response to the Notice of Institution, April 1, 2015, p. 9.

THE INDUSTRY IN CHINA

In the original investigations, there were 12 producers/exporters of preserved mushrooms in China that responded to the Commission's questionnaire in the final phase of the investigations. During the Commission's first five-year reviews, the Commission requested data from 12 producers of certain preserved mushrooms in China, none of which provided the Commission with a response.⁸⁰ In its response to the Commission's notice of institution in the second expedited five-year reviews, the domestic interested parties provided a listing of 133 firms that they believed to be producing the subject merchandise in China.

In these current third five-year reviews, the domestic interested parties provided the following information on preserved mushrooms producers in China:⁸¹

- China National Cereals Oils and Foodstuff Corporation is the largest supplier of diversified products and services in the agricultural products and food industry in China. The company operates a modern cannery and accounts for about 10 percent of Chinese canned mushroom exports.
- Duiiangyan Xingda Foodstuff Co. Ltd, is a “leading producer and exporter of canned mushrooms. {production} by {their} own plantation farm with 7,000 mt per crop season.” The company has “a total of 300 modern mushroom-growing houses and a modern can-making workshop.”
- Fujian Tongfa Foods Group Co. Ltd., has six modern canneries and one logistics and distribution center for exporting food products. The company produces hundreds of products with “a wide range of edible fungus.” The company’s average output reaches more than 70,000 metric tons and is increasing 20 percent every year. The company exports to more than 60 countries, including North and South America and Europe. The company’s products are FDA certified.
- Fujian Provincial Cereals Oils & Foodstuffs Import-Export Com. Xiamen Company is a major exporter of canned mushrooms.
- Jiangsu Cereals, Oils & Foodstuff I/E Group Corporation has been ranked for 10 consecutive years as one of the top 200 corporations with the largest exportation in China. The company is one of the largest exporters of canned mushrooms in China.
- Shanghai Foodstuffs Import & Export Corp. is a major exporter of canned mushrooms (“Friendship” brand). The company exports to “more than 1,000 clients in more than 70 countries and regions.

⁸⁰ These producers are: (1) China Processed Food Import & Export Co., Ltd.; (2) Dalian Mishima Foods, Co., Ltd.; (3) Fujian Provincial Cereals, Oils, & Foodstuffs Import & Export Corp.; (4) Fujian Putian Canned Foods Group Corp.; (5) General Canned Food Factory of Zhangzhou; (6) Gerber Food (Yunnan) Co., Ltd.; (7) Jiangsu Cereals, Oils & Foodstuffs Import & Export Corp.; (8) Shanghai Foodstuffs Import & Export Corp.; (9) Shenzhen Cofry, Cereals, Oils & Foodstuffs, Co., Ltd.; (10) Tak Fat Trading Co.; (11) Xiamen Gulong Import & Export Co., Ltd.; and (12) Zhejiang Cereals, Oils & Foodstuffs Import & Export Co., Ltd.

⁸¹ *Domestic Interested Parties’ Response to the Notice of Institution*, April 1, 2015, pp. 10-11, exh. 5 and 6; *Mushrooms: Industry and Trade Summary*, USITC Publication No. ITS-07, June 2010, p. 32.

- Tak Fat Trading Company has sold canned mushrooms for more than 30 years to mainly export markets in Japan, the United States, Canada, Australia, Europe, and Hong Kong.
- Xiamen Gulong Import & Export Co., Ltd. is a “comprehensive exporter” that has exported canned, mushrooms to more than 50 countries, including the United States. The company’s products are FDA USA approved.
- Zhangzhou General Food Service Co. Ltd., has more than 20 years’ experience in the business of exporting canned mushrooms. The company’s products are FDA USA approved. The company sources from its own cannery and nonaffiliated canneries.
- Zhejiang Cereals, Oils & Foodstuffs Import & Export Co., Ltd, has established trade relationships with more than 90 countries and regions. The company “enjoys the leading position nationwide on the scale of international foodstuffs trade and ranks high among the specialized foreign trade corporations in Zhejiang Province.” One of the company’s main products is canned mushrooms.

At just over 15,432,358 thousand pounds (7 million mt) in 2013, China is the largest mushroom producer in the world.⁸² China’s mushroom industry consists of thousands of small-volume family-run growing operations throughout the country. Since 2003-04, mushroom canning in China has taken place in a small number of large, modern facilities. Because of the availability of low-cost labor, Chinese packers are relatively cost-efficient at processing certain styles of canned mushrooms.⁸³

The Commission’s report for the original investigations presented data from twelve producers in China.⁸⁴ In the first full five-year reviews, the Commission requested data from 12 producers of preserved mushrooms in China, none of which provided a response.⁸⁵ In its response to the Commission’s notice of institution for the second reviews, the domestic interested parties identified 133 firms it believes to be producing the subject merchandise in China.⁸⁶

Tables I-8 and I-9 provide data on the volume and value of Chinese exports of canned mushrooms during 2010–14. China’s largest export markets during this period were Russia, the United States, and Japan. Chinese exports to the United States fell markedly in 2013 and 2014 (by 82 percent between 2012 and 2013) owing to the rejection of Chinese preserved mushroom shipments by the U.S. Food and Drug Administration for pesticide contamination starting in 2012.⁸⁷

⁸² FAOSTAT, “Production: mushrooms and truffles,” (accessed May 1, 2015).

⁸³ *Mushrooms: Industry and Trade Summary*, USITC Publication No. ITS-07, June 2010, p. 32.

⁸⁴ *Certain Preserved Mushrooms from China, India, and Indonesia, Investigation Nos. 731-TA-777-779 (Final)*, USITC Publication 3159, February 1999, p. VII-1.

⁸⁵ *Certain Preserved Mushrooms from Chile, China, India, and Indonesia, Inv. Nos. 731-TA-776-779 (Second Review)*, USITC Publication 4135, April 2010, p. I-23.

⁸⁶ *Ibid.*

⁸⁷ Further halted Chinese shipments to the United States in 2013 prompted some U.S. preserved mushroom buyers to source EU product instead of Chinese. *Food News*, “Canned Mushrooms Still Dogged by Contamination,” November 5, 2013.

Table I-8**Preserved mushrooms: Chinese exports by major market, 2010–14 (1,000 lbs)**

Item	2010	2011	2012	2013	2014
Russia	104,539	115,068	90,440	108,866	95,797
Japan	40,296	41,733	39,313	38,826	39,306
Malaysia	34,194	41,771	35,979	44,763	39,200
Philippines	18,962	24,447	25,038	24,756	24,028
Canada	28,737	29,877	34,743	22,476	23,847
Germany	52,280	31,702	38,504	20,904	20,836
Hong Kong	17,223	17,004	17,886	20,759	17,741
South Korea	21,156	22,710	18,929	15,551	16,431
Netherlands	31,074	13,750	26,198	16,647	13,413
Lebanon	8,807	14,420	9,848	11,925	11,323
United States	104,664	84,360	69,333	12,392	11,224
All other	227,823	244,102	231,898	214,869	211,908
Total	689,756	680,946	638,108	552,734	525,055

Source: Global Trade Atlas (accessed April 28, 2015). HS subheading 2003.10.

Table I-9**Preserved mushrooms: Chinese exports by major market, 2010–14 (\$1,000)**

Item	2010	2011	2012	2013	2014
Russia	59,171	80,906	58,404	70,915	63,878
Japan	41,431	49,194	49,759	47,575	45,005
Vietnam	765	1,548	1,611	15,871	25,744
Malaysia	19,898	29,542	24,254	29,406	24,847
Germany	36,572	26,435	34,228	20,400	20,718
Canada	16,721	22,996	27,543	17,309	17,324
Philippines	10,243	16,845	16,393	16,232	15,145
Hong Kong	9,184	10,895	12,433	16,303	13,153
United States	66,270	70,592	57,396	11,847	10,915
South Korea	12,244	15,740	11,656	9,650	10,396
Netherlands	20,816	11,276	21,214	12,643	10,374
All other	138,274	184,158	161,301	147,999	138,654
Total	431,590	520,126	476,192	416,148	396,153

Source: Global Trade Atlas (accessed April 28, 2015). HS subheading 2003.10.

THE INDUSTRY IN INDIA

India's mushroom production was estimated at 88,185 thousand pounds (40,000 mt) in 2013.⁸⁸ In the original investigations, two producers in India responded to the Commission's questionnaires.⁸⁹ In the first full five-year reviews, the Commission requested data from seven firms and received data from two Indian firms. Agro Dutch, a major Indian producer of preserved mushrooms, reported that its 2003 production accounted for *** percent of total production of certain preserved mushrooms in India. The other responding producer, Himalya, reported that its 2003 production accounted for *** percent of total production of preserved mushrooms in India and that its total 2003 exports accounted for *** percent of total Indian exports to the United States. In its response to the Commission's notice of institution in the second five-year expedited reviews, the domestic interested parties identified thirteen firms it believes to be producing preserved mushrooms in India.⁹⁰

In these current third five-year reviews, the domestic interested parties stated that "the Indian mushroom canning industry is made up of a few very modern growing and processing facilities." Agro-Dutch Industries, a state-of-the-art manufacturing facility, is the largest integrated mushroom growing and canning company in the world. The domestic interested parties provided the following information on preserved mushrooms production in India:⁹¹

- Agro Dutch Industries Limited is the largest integrated canned mushroom company in the world, selling the full range of canned mushrooms around the globe. Agro Dutch has an estimated production capacity of 50,000 metric tons of fresh mushroom annually, and has accounted for an estimated 25 percent of U.S. imports of canned mushrooms. Agro Dutch has also become a major supplier to Canada, Mexico, Israel, and Russia.
- Dinesh Agro Product Limited was established in 1994, with a division devoted to mushroom exports.
- Flex Foods Ltd, produces canned button mushrooms in various shapes and sizes for export to the United States, Europe, Canada, Australia, and other countries.
- Himalya International Ltd, is a state of the art, ISO certified, and HACCP compliant canned mushroom operation with production capacity of 10,000 metric tons of canned mushrooms annually. The company exports its products to the United States, Singapore, Dubai, and Malaysia.

⁸⁸ FAOSTAT, "Production: mushrooms and truffles," (accessed May 1, 2015).

⁸⁹ These firms were Pond's India and Saptarishi Agro. Other producers in India were believed to include Flex Foods; Moneshi Agro; Premier Mushrooms Farms; Sugam; Techtran; Transchem; and Agro Dutch Foods. *Confidential Staff Report*, INV-V-089, November 5, 1998, p. VII-2.

⁹⁰ These firms were: (1) Agro Dutch Foods, Ltd.; (2) Alpine Biotech, Ltd.; (3) Dinesh Agro Products, Ltd.; (4) Flex Foods, Ltd.; (5) Himalya International, Ltd.; (6) Hindustan Lever, Ltd.; (7) KICM (Madras), Ltd.; (8) Mandeep Mushrooms, Ltd.; (9) Premier Mushroom Farms; (10) Saptarishi Agro Industries, Ltd.; (11) Techtran Agro Industries, Ltd.; (12) Transchem, Ltd.; and (13) Weikfield Agro Products, Ltd.

⁹¹ *Domestic Interested Parties' Response to the Notice of Institution*, April 1, 2015, pp. 11-12, exh. 5 and 7.

- Saptarishi Agro Industries produces canned button mushrooms primarily for export markets.

Agro Dutch Industries, a state-of-the-art, HAACP compliant, and ISO certified manufacturing facility that currently accounts for an estimated 85 percent of India’s canned mushroom exports, is reported to be the largest integrated mushroom growing and canning company in the world.⁹² Agro Dutch has an estimated production capacity of 50,000 metric tons of fresh mushrooms for canning annually.⁹³

Tables I-10 and I-11 provide data on the volume and value of Indian exports of canned mushrooms during 2010–14. Indian exports to the United States halted completely in 2013 and 2014 after traces of carbendazim, a fungicide, were detected in Indian canned mushroom shipments to the United States in 2012.⁹⁴

Table I-10
Preserved mushrooms: Indian exports by major market, 2010–14 (1,000 lbs)

Item	2010	2011	2012	2013	2014
Russia	311	1,365	2,791	509	176
Israel	5,216	560	2,227	154	110
Canada	348	0	0	0	75
France	0	0	2	11	49
United States	20,942	33,259	12,826	0	0
All other	6,001	419	3,452	146	73
Total	32,818	35,602	21,299	820	483

Source: Global Trade Atlas (accessed April 28, 2015). HS subheading 2003.10.

Table I-11
Preserved mushrooms: Indian exports by major market, 2010–14 (\$1,000)

Item	2010	2011	2012	2013	2014
Russia	137	761	1,314	381	89
Israel	2,599	340	1,144	311	62
Canada	218	0	55	1	90
France	0	54	298	1,606	5,967
United States	10,980	22,629	7,455	0	113
All other	3,142	529	2,167	3,917	8,380
Total	17,076	24,313	12,433	6,216	14,700

Source: Global Trade Atlas (accessed April 28, 2015). HS subheading 2003.10.

⁹² USITC, *Mushrooms: Industry and Trade Summary*, Publication ITS-07, June 2010, p. 32.

⁹³ Agro Dutch Industries Limited Web site. <http://www.agro-dutch.com> (accessed May 1, 2015).

⁹⁴ *Food News*, “Carbendazim found in Indian canned mushrooms,” July 24, 2012.

THE INDUSTRY IN INDONESIA

In the original investigations, all four known producers of preserved mushrooms in Indonesia responded to the Commission's questionnaires.⁹⁵ In the first full five-year reviews, the Commission received data from five Indonesian firms,⁹⁶ accounting for a majority of imports of preserved mushrooms from Indonesia. In the second expedited five-year reviews, the domestic interested parties identified seven firms they believed to be producing the subject merchandise in Indonesia: PT Citraraja Ampat Canning, PT Dieng Djaya, PT Eka Timur Raya, PT Indo Evergreen Agro Business Corp., PT Karya Kompos Bagas, PT Surya Jaya Abadi Perkasa, and PT Tuwuh Agung.⁹⁷

In these current third five-year reviews, the domestic interested parties provided the following information on preserved mushrooms production in Indonesia:⁹⁸

- PT Eka Timur Raya is the largest mushroom processor in Indonesia. The company produces 12,500 tons of canned button mushrooms annually. The company advertises that it "caters to the canned mushroom needs of the big retailers in North America, Middle East and institutional buyers in Japan."
- PT Karya Kompos Bagas advertises that it produces canned button mushrooms.
- PT Indo Evergreen Agro Business Corp. advertises that it offers canned mushrooms for export.
- PT Surya Jaya Abadi Perkasa advertises that it produces canned mushrooms.
- PT Tuwuh Agung advertises that it produces canned mushrooms.

Indonesian production of mushrooms was 87,484 thousand pounds (39,682 mt) in 2013.⁹⁹ A wide variety of mushroom species are produced in Indonesia, mainly by small farmers. However, white button mushrooms (*Agaricus bisporus*) are produced by a few large farms owned by large companies mainly for export.¹⁰⁰

Tables I-12 and I-13 provide data on the volume and value of Indonesian exports of canned mushrooms during 2010-14. Total Indonesian exports fell 39 percent between 2010 and 2014. The United States was the largest export market for Indonesian canned mushrooms

⁹⁵ These firms were: (1) PT Dieng Djaya, (2) PT Surya Jaya Abadi Perkasa, (3) PT Indo Evergreen Agro Business Corp., and (4) PT Zeta Agro Corp. *Confidential Staff Report*, INV-V-089, November 5, 1998, p. VII-2.

⁹⁶ These firms were: (1) PT Dieng Djaya, (2) PT Eka Timur Raya, (3) PT Karya Kompos Bagas, (4) PT Indo Evergreen Agro Business Corp., and (5) PT Surya Jaya Abadi Perkasa. *Confidential Staff Report*, INV-BB-123, October, 2004, p. IV-12. In 2002, the antidumping duty order was revoked on imports of preserved mushrooms from Indonesian producer P.T. Zeta Agro Corp.

⁹⁷ During the first full five-year reviews, PT Dieng Djaya and PT Indo Evergreen both reported ceasing production of preserved mushrooms in 2003. PT Dieng resumed mushroom production operations in 2007, and the website of PT Indo Evergreen currently advertises the sale of mushrooms.

⁹⁸ *Domestic Interested Parties' Response to the Notice of Institution*, April 1, 2015, p. 12, exh. 8.

⁹⁹ FAOSTAT, "Production: mushrooms and truffles," (accessed May 1, 2015).

¹⁰⁰ Mushroombusiness.com, "Volvariella, An Important Source of Income," (accessed April 24, 2015).

during this period; these exports accounted for 83 percent of total Indonesian exports to the world during 2010–2014.

Table I-12

Preserved mushrooms: Indonesian exports by major market, 2010–14 (1,000 lbs)

Item	2010	2011	2012	2013	2014
United States	16,466	12,659	9,751	9,178	9,811
United Arab Emirates	494	463	571	545	492
Qatar	333	273	355	355	381
Kuwait	174	243	267	293	375
Saudi Arabia	342	437	337	522	364
All other	1,717	880	1,076	487	423
Total	19,526	14,954	12,357	11,380	11,845

Source: Global Trade Atlas (accessed April 28, 2015). HS subheading 2003.10.

Table I-13

Preserved mushrooms: Indonesian exports by major market, 2010–14 (\$1,000)

Item	2010	2011	2012	2013	2014
United States	10,915	10,532	8,813	8,644	8,776
United Arab Emirates	320	395	500	539	487
Qatar	213	234	327	365	390
Kuwait	109	212	247	304	384
Saudi Arabia	214	408	307	537	383
All other	998	701	996	479	392
Total	12,769	12,482	11,191	10,869	10,812

Source: Global Trade Atlas (accessed April 28, 2015). HS subheading 2003.10.

ANTIDUMPING OR COUNTERVAILING DUTY ORDERS IN THIRD-COUNTRY MARKETS

Imports of preserved mushrooms into the EU are subject to a tariff-rate quota system that commenced in 1995. In 2006, the EU modified the annual quota, assigning an annual quota of 63.8 million pounds to imports of preserved mushrooms from China and 11.1 million pounds from all other countries (other than Bulgaria and Romania), including Chile, India, and Indonesia. The out-of-quota tariff rate is 12 percent for HTS subheading 0711.5100, and 23 percent for HTS subheadings 2003.1020, and 2003.10.30.69. The administering authority in Australia imposed an antidumping duty order on imports of preserved mushrooms from China

in January 2006. The administering authority in Mexico imposed an antidumping duty order on imports of preserved mushrooms from Chile and China in May 2006.¹⁰¹

THE GLOBAL MARKET

Tables I-14 and I-15 present the largest global export sources of preserved mushrooms during 2010-14. China is the largest global exporter by far, averaging 86 percent of global export volumes during 2010–14.

Table I-14

Global exports by major sources, 2010–14 (1,000 lbs)

Item	2010	2011	2012	2013	2014
China	689,756	680,946	638,108	552,734	525,055
EU	23,991	37,377	45,596	62,816	76,024
Indonesia	19,526	14,954	12,357	11,380	11,845
United States	888	683	1,579	2,138	2,937
Taiwan	2,489	1,135	1,415	2,577	2,130
Malaysia	2,187	873	337	421	2,108
Canada	1,030	675	893	1,559	2,088
Chile	2,584	3,104	2,518	1,135	1,894
Singapore	1,682	1,801	1,435	1,202	1,658
Belarus	75	44	2,224	2,359	1,052
All other	40,821	42,990	26,544	6,312	4,235
Total	785,028	784,583	733,006	644,634	631,027

Source: Global Trade Atlas (accessed April 28, 2015). HTS subheading 2003.10.

¹⁰¹ *Confidential Staff Report*, INV-HH-017, March 9, 2010, p. I-36 and *Domestic Interested Parties' Response to the Notice of Institution*, April 1, 2015, p. 13.

Table I-15
Global exports by major sources, 2010–14 (\$1,000)

Item	2010	2011	2012	2013	2014
China	431,590	520,126	476,192	416,148	396,153
EU	38,527	68,721	97,373	137,566	157,288
Indonesia	12,769	12,482	11,191	10,869	10,812
United States	1,632	1,331	2,094	2,706	3,370
Taiwan	1,687	974	1,124	2,016	1,717
Malaysia	1,499	709	259	329	1,849
Canada	717	600	864	1,392	1,853
Chile	2,406	3,053	2,679	1,105	1,915
Singapore	1,138	1,514	1,160	955	1,341
Belarus	70	27	680	624	261
All other	25,257	32,489	18,954	11,380	18,738
Total	517,294	642,026	612,570	585,090	595,299

Source: Global Trade Atlas (accessed April 28, 2015). HTS subheading 2003.10.

APPENDIX A

FEDERAL REGISTER NOTICES

The Commission makes available notices relevant to its investigations and reviews on its website, www.usitc.gov. In addition, the following tabulation presents, in chronological order, *Federal Register* notices issued by the Commission and Commerce during the current proceeding.

Citation	Title	Link
80 FR 11221 March 2, 2015	<i>Preserved Mushrooms From Chile, China, India, And Indonesia; Institution of a Five-Year Review</i>	http://www.gpo.gov/fdsys/pkg/FR-2015-03-02/pdf/2015-04248.pdf
80 FR 11164 March 2, 2015	<i>Preserved Mushrooms From Chile, People’s Republic of China, India, And Indonesia; Initiation of Five-Year (“Sunset”) Reviews</i>	http://www.gpo.gov/fdsys/pkg/FR-2015-03-02/pdf/2015-04300.pdf

APPENDIX B
COMPANY-SPECIFIC DATA

RESPONSE CHECKLIST FOR U.S. PRODUCERS

APPENDIX C

SUMMARY DATA COMPILED IN PRIOR INVESTIGATIONS AND REVIEWS

**Table I-1
Preserved mushrooms: U.S. producers' trade, employment, and financial data, 1998-2003 and 2008**

Item	1995	1996	1997	1998	1999	2000	2001	2002	2003	2008
Capacity (1,000 pounds drained weight)	214,973	223,735	203,523	280,404	285,300	287,728	271,155	270,042	200,044	176,757
Production (1,000 pounds drained weight)	107,711	84,936	74,711	66,186	67,849	68,932	53,316	50,733	50,161	44,726
Capacity utilization (percent)	50.1	38.0	36.7	23.6	23.8	24.0	19.7	18.8	25.1	25.3
U.S. shipments: Quantity (1,000 pounds drained weight)	95,274	91,865	74,642	66,196	73,525	61,741	56,543	58,552	47,687	35,170
Value (\$1,000)	142,013	121,084	90,279	82,859	99,290	81,411	69,031	67,582	55,722	51,944
Unit value (\$/pound drained weight)	\$1.49	\$1.32	\$1.21	\$1.25	\$1.35	\$1.32	\$1.22	\$1.15	\$1.17	\$1.48
Inventories/U.S. shipments	25.2	17.3	19.1	22.0	12.1	26.1	22.7	8.3	15.3	(¹)
PRWs (number)	518	476	421	330	321	328	270	260	266	(¹)
Hours worked (1,000 hours)	1,113	978	804	435	433	502	430	402	380	(¹)
Wages paid (\$1,000)	12,672	10,776	10,525	5,372	5,480	6,999	6,633	6,423	5,988	(¹)
Hourly wages	\$11.39	\$11.02	\$13.09	\$12.35	\$12.66	\$13.94	\$15.43	\$15.98	\$15.78	(¹)
Productivity (tons per 1,000 hours)	96.8	86.8	92.9	125.6	140.0	133.8	124.0	126.2	132.2	(¹)
Unit labor costs (per short ton)	\$0.12	\$0.13	\$0.14	\$0.10	\$0.09	\$0.10	\$0.12	\$0.13	\$0.12	(¹)
Net sales Quantity (1,000 pounds drained weight)	90,840	90,551	76,052	68,133	71,437	64,639	57,251	59,943	49,724	(¹)
Value (\$1,000)	142,110	122,323	94,012	81,714	98,393	87,008	70,610	69,463	58,139	49,387
Unit value (\$/pound drained weight)	\$1.56	\$1.35	\$1.24	\$1.20	\$1.38	\$1.35	\$1.23	\$1.16	\$1.17	(¹)
Cost of goods sold (\$1,000)	121,721	105,728	81,957	74,270	89,167	76,808	64,611	66,246	55,543	41,013
Gross profit (\$1,000)	20,389	16,595	12,055	7,444	9,226	10,200	5,999	3,217	2,596	8,374
SG&A expenses (\$1,000)	12,868	12,067	10,815	6,657	7,183	7,447	6,305	5,729	4,150	4,287
Operating Income (\$1,000)	7,521	4,528	1,240	787	2,043	2,753	(305)	(2,512)	(1,554)	4,087

¹ Not available.

Source: Compiled from data appearing in the Confidential Staff Report, INV-V-089 (November 5, 1998), tables III-1, III-2, III-3, III-4, and VI-1, and Confidential Staff Report INV-BB-123 (October 4, 2004), tables III-1, III-2, III-3, III-5, III-6, and Response, November 2, 2009, pp. 21-24.

U.S. IMPORTS AND APPARENT U.S. CONSUMPTION

U.S. Importers

Thirty-two importers responded to the Commission's questionnaires in the final phase of the original investigations accounting for 83 percent of subject imports in 1997. In the Commission's first five-year reviews, 19 importers responded accounting for *** percent of subject imports in 2003. In its response to the Commission's notice of institution in these second five-year reviews, the Coalition listed 157 importers of preserved mushrooms.

U.S. Imports

Table I-2 presents import data on preserved mushrooms from 1995 to 2008. Once the orders were imposed in late 1998 and early 1999, imports from Chile exited the market. In 2008, imports from China and India exceed the pre-order level of imports, while subject imports from Indonesia were less than half of pre-order levels.⁶¹ From 2003 to 2008 imports of preserved mushrooms from China increased by 73.4 percent, imports from India decreased by 23.7 percent, and imports from Indonesia increased by *** percent. At the same time, the value of these imports increased by 147.9 percent (China), 22.9 percent (India), and *** percent (Indonesia).

⁶¹ Commerce revoked the antidumping duty order with regard to imports from PT Zeta Agro Corp., effective February 1, 2002.

**Table I-2
Preserved mushrooms: U.S. imports, by sources, 1995-2008**

Source	Calendar year													
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
	Quantity (1,000 pounds, drained weight)													
China	66,923	67,491	67,209	48,046	320	8,330	19,364	20,594	48,139	60,990	60,410	48,709	78,831	83,460
Hong Kong	8,664	5,262	3,901	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Subtotal	75,587	72,753	71,109	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Chile	10,660	7,101	5,429	6,516	0	0	0	0	0	0	0	0	0	0
India	5,951	4,368	9,949	12,559	32,023	34,439	29,479	23,885	27,010	33,691	27,114	29,117	27,491	20,606
Indonesia (subject)	30,756	26,893	31,791	26,666	29,096	29,043	22,417	***	***	***	***	***	***	***
Subtotal	122,953	111,115	118,279	93,786	61,439	71,812	71,259	***	***	***	***	***	***	***
Indonesia (nonsubject)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	***	***	***	***	***	***	***
All other sources	21,826	14,763	11,590	21,814	45,663	65,136	47,462	47,549	42,838	27,018	20,413	17,437	12,019	19,388
Total	144,780	125,879	129,869	115,600	107,102	136,948	118,721	114,615	140,216	145,469	131,852	110,633	137,270	143,783
	Value (\$1,000)³													
China	77,071	63,038	55,701	37,520	433	7,617	19,117	19,516	43,339	53,107	50,087	45,783	92,648	107,443
Hong Kong	10,508	4,532	2,620	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Subtotal	87,580	67,570	58,321	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Chile	11,661	7,990	6,252	7,683	0	0	0	0	0	0	0	0	0	0
India	8,065	5,400	10,069	13,022	27,873	33,057	27,442	21,051	21,997	28,948	21,857	27,007	32,568	27,044
Indonesia (subject)	47,648	35,197	37,269	30,459	39,321	38,493	28,830	***	***	***	***	***	***	***
Subtotal	154,954	116,157	111,911	88,685	67,628	79,167	75,389	***	***	***	***	***	***	***
Indonesia (nonsubject)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	***	***	***	***	***	***	***
All other sources	30,476	19,279	15,826	26,158	51,161	67,638	47,239	43,954	39,809	23,911	17,673	15,800	13,559	21,159
Total	185,430	135,436	127,737	114,843	118,789	146,805	122,628	109,220	131,607	133,972	117,347	107,082	166,184	187,294

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Table I-2--Continued
Preserved mushrooms: U.S. imports, by sources, 1995-2008

Source	Calendar year													
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
	Unit value (per pound, drained weight)													
China	1.15	0.93	0.83	0.78	\$1.35	\$0.91	\$0.99	\$0.95	\$0.90	\$0.87	\$0.83	\$0.94	\$1.18	\$1.29
Hong Kong	1.21	0.86	0.67	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Average	1.16	0.93	0.82	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Chile	\$1.09	\$1.13	\$1.15	\$1.18	(1)	(1)	(1)	(1)	(1)	--	--	--	--	--
India	1.36	1.24	1.01	1.04	0.87	0.96	0.93	0.88	0.81	0.86	0.81	0.93	1.18	1.31
Indonesia (subject)	1.55	1.31	1.17	1.14	1.35	1.33	1.29	***	***	***	***	***	***	***
Average	1.26	1.05	0.95	0.95	1.10	1.10	1.06	***	***	***	***	***	***	***
Indonesia (nonsubject)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	***	***	***	***	***	***	***
All other sources	1.40	1.31	1.37	1.20	1.12	1.04	1.00	0.92	0.93	0.89	0.87	0.91	1.13	1.09
Average	1.28	1.08	0.98	0.99	1.11	1.07	1.03	0.95	0.94	0.92	0.89	0.97	1.21	1.30
	Share of quantity (percent)													
China	46.2	53.6	51.8	41.6	0.3	6.1	16.3	18.0	34.3	41.9	45.8	44.0	57.4	58.0
Hong Kong	6.0	4.2	3.0	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Subtotal	52.2	57.8	54.8	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Chile	7.4	5.6	4.2	5.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
India	4.1	3.5	7.7	10.9	29.9	25.1	24.8	20.8	19.3	23.2	20.6	26.3	20.0	14.3
Indonesia (subject)	21.2	21.4	24.5	23.1	27.2	21.2	18.9	***	***	***	***	***	***	***
Subtotal	84.9	88.3	91.1	81.1	57.4	52.4	60.0	***	***	***	***	***	***	***
Indonesia (nonsubject)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	***	***	***	***	***	***	***
All other sources	15.1	11.7	8.9	18.9	42.6	47.6	40.0	41.5	30.6	18.6	15.5	15.8	8.8	13.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

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Table I-2-- Continued
Preserved mushrooms: U.S. imports, by sources, 1995-2008

Source	Calendar year													
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
	Share of value (percent)													
China	41.6	46.5	43.6	32.7	0.4	5.2	15.6	17.9	32.9	39.6	42.7	42.8	55.8	57.4
Hong Kong	5.7	3.3	2.1	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Subtotal	47.2	49.9	45.7	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Chile	6.3	5.9	4.9	6.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
India	4.3	4.0	7.9	11.3	23.5	22.5	22.4	19.3	16.7	21.6	18.6	25.2	19.6	14.4
Indonesia (subject)	25.7	26.0	29.2	26.5	33.1	26.2	23.5	***	***	***	***	***	***	***
Subtotal	83.6	85.8	87.6	77.2	56.9	53.9	61.5	***	***	***	***	***	***	***
Indonesia (nonsubject)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	***	***	***	***	***	***	***
All other sources	16.4	14.2	12.4	22.8	43.1	46.1	38.5	40.2	30.2	17.8	15.1	14.8	8.2	11.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

¹ Hong Kong data presented in all other sources.

² Not applicable.

³ Landed, duty-paid.

Source: Compiled from adjusted Commerce statistics, and from data appearing in the *Confidential Staff Report*, INV-V-089 (November 5, 1998) table IV-1, and *Confidential Staff Report INV-BB-123* (October 4, 2004), table IV-1, and *Response*, November 2, 2009, pp. 21-24. U.S. imports from Indonesia for 2002-2008 were adjusted to remove U.S. imports from PT Zeta Agro from subject U.S. imports from Indonesia. U.S. imports from PT Zeta Agro were compiled using information provided by Customs. These imports are reported under Indonesia (nonsubject).

APPENDIX D

PURCHASER QUESTIONNAIRE RESPONSES
