

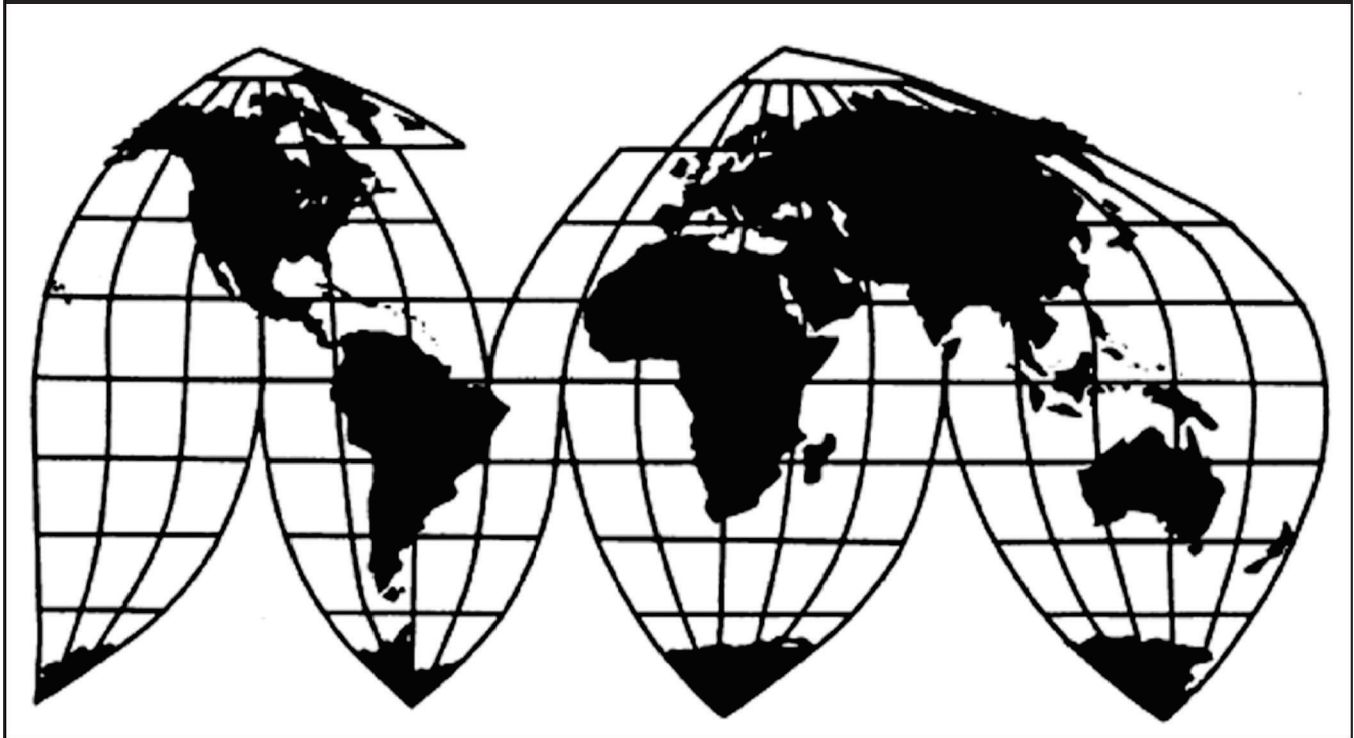
# Preserved Mushrooms from Chile, China, India, and Indonesia

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

Publication 5167

March 2021

**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 (Fourth Review)

Preserved Mushrooms from Chile, China, India, and Indonesia

### DETERMINATIONS

On the basis of the record<sup>1</sup> developed in the subject five-year reviews, the United States International Trade Commission (“Commission”) determines, pursuant to the Tariff Act of 1930 (“the Act”), 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.

### BACKGROUND

The Commission instituted these reviews on August 3, 2020 (85 FR 46725) and determined on November 6, 2020 that it would conduct expedited reviews (86 FR 7877, February 2, 2021).

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





## 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

*Original Investigations.* 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.<sup>1</sup> 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.<sup>2</sup> The U.S. Department of Commerce (“Commerce”) issued antidumping duty orders with respect to imports from Chile on December 2, 1998,<sup>3</sup> and with respect to imports from China, India, and Indonesia on February 19, 1999.<sup>4</sup> Commerce subsequently revoked the order with respect to U.S. imports from one Indonesian exporter.<sup>5</sup>

*First Reviews.* In October 2004, the Commission completed its first five-year reviews on 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

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

<sup>2</sup> *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*”).

<sup>3</sup> 63 Fed. Reg. 66529 (Dec. 2, 1998).

<sup>4</sup> 63 Fed. Reg. 8308-12 (Feb. 19, 1999).

<sup>5</sup> 68 Fed. Reg. 39521 (July 2, 2003). Effective February 1, 2002, Commerce revoked the antidumping duty order with respect to PT Zeta Agro Corp. (“PT Zeta Agro”), an exporter of preserved mushrooms from Indonesia. See Confidential Report (“CR”) INV-SS-126 (Oct. 26, 2020) (as revised by INV-TT-023 (Feb. 11, 2021)) and Public Report (“PR”) at I-16 note (noting \*\*\*).

States within a reasonably foreseeable time.<sup>6</sup> Commerce, which had previously made affirmative determinations on likely dumping, published a continuation of the antidumping duty orders on preserved mushrooms from Chile, China, India, and Indonesia on November 17, 2004.<sup>7</sup>

*Second Reviews.* In April 2010, the Commission completed its second five-year reviews on 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 United States within a reasonably foreseeable time.<sup>8</sup> 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.<sup>9</sup>

*Third Reviews.* In August 2015, the Commission completed its third five-year reviews on 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 United States within a reasonably foreseeable time.<sup>10</sup> 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 September 2, 2015.<sup>11</sup>

*Current Reviews.* On August 3, 2020, the Commission instituted these fourth reviews.<sup>12</sup> The Commission received a sole response to its notice of institution jointly filed on behalf of four U.S. producers of preserved mushrooms: Giorgio Foods, Inc. (“Giorgio”), L.K. Bowman Co. (“L.K. Bowman”), a division of Hanover Foods Corporation, Sunny Dell Foods, LLC (“Sunny Dell”),

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<sup>6</sup> *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.

<sup>7</sup> 69 Fed. Reg. 67308 (Nov. 17, 2004).

<sup>8</sup> *Certain Preserved Mushrooms from Chile, China, India, and Indonesia*, Inv. Nos. 731-TA-776-779 (Second Review), USITC Pub. 4135 (April 2010) (“*Second Five-Year Review Determinations*”).

<sup>9</sup> 75 Fed. Reg. 22369 (April 28, 2010).

<sup>10</sup> *Certain Preserved Mushrooms from Chile, China, India, and Indonesia*, Inv. Nos. 731-TA-776-779 (Third Review), USITC Pub. 4557 (August 2015) (“*Third Five-Year Review Determinations*”). As discussed below, individual Commissioners cumulated different combinations of subject imports.

<sup>11</sup> 80 Fed. Reg. 53104 (Sept. 2, 2015).

<sup>12</sup> *Certain Preserved Mushrooms from Chile, China, India, and Indonesia; Institution of Five-Year Reviews*, 85 Fed. Reg. 46725 (Aug. 3, 2020).

and The Mushroom Co. (formerly Mushroom Canning Co.) (collectively, the “Domestic Producers”).<sup>13</sup> No other parties participated in these reviews.<sup>14</sup> The Commission determined that the domestic interested party group response to its notice of institution was adequate and that the respondent interested party group response was inadequate. It therefore determined to expedite these reviews on November 6, 2020.<sup>15</sup> Domestic Producers also filed final comments in these reviews.<sup>16</sup>

U.S. industry data are based on the joint response to the notice of institution of the four U.S. producers that are believed to account for \*\*\* percent of domestic production of preserved mushrooms in 2019.<sup>17</sup> U.S. import data and related information in these reviews are based on Commerce’s official import statistics.<sup>18</sup> Foreign industry data and related information are based on information from the Domestic Producers, questionnaire responses from the original investigations and prior reviews, as well as publicly available information gathered by staff.<sup>19</sup> Two U.S. purchasers of preserved mushrooms responded to the Commission’s adequacy phase questionnaire.<sup>20</sup>

## **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.”<sup>21</sup> The Tariff Act defines “domestic like product” as “a product which is like, or in the absence of like, most similar in characteristics and

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<sup>13</sup> CR/PR at I-2; Domestic Producers’ Response to the Notice of Institution (“Response”) at 1. Domestic Producers also filed adequacy comments. Comments Concerning Adequacy of Responses to the Notice of Institution, Oct. 16, 2020.

<sup>14</sup> CR at I-2. The Embassy of Chile, which did not respond to the notice of institution, submitted a letter to the Commission. CR at I-2 n.6.

<sup>15</sup> *Certain Preserved Mushrooms from Chile, China, India, and Indonesia; Scheduling of Expedited Five-Year Reviews*, 86 Fed. Reg. 7877, 7878 (Feb. 2, 2021). Commissioner Johanson voted to conduct full reviews.

<sup>16</sup> Domestic Producers’ Final Comments, February 4, 2021 (“Final Comments”).

<sup>17</sup> CR/PR at Table I-1.

<sup>18</sup> CR/PR at Table I-3. \*\*\* provided information concerning its imports. See CR/PR at B-4. In the prior proceedings, import data were based on adjusted official import statistics. CR/PR at I-14 to I-15.

<sup>19</sup> See generally CR/PR at I-20 to I-27.

<sup>20</sup> CR/PR at App. D at D-3.

<sup>21</sup> 19 U.S.C. § 1677(4)(A).

uses with, the article subject to an investigation under this subtitle.”<sup>22</sup> The Commission’s practice in five-year reviews is to examine the domestic like product definition from the original investigation(s) and consider whether the record indicates any reason to revisit the prior findings.<sup>23</sup>

## 1. The Subject Merchandise

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

certain 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.

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<sup>22</sup> 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, 96<sup>th</sup> Cong., 1<sup>st</sup> Sess. 90-91 (1979).

<sup>23</sup> 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-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).

The merchandise subject to the orders is classifiable under subheadings: 2003.10.0127, 2003.10.0131, 2003.10.0137, 2003.10.0143, 2003.10.0147, 2003.10.0153, 0711.51.0000, of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope of these orders is dispositive.<sup>24</sup>

Certain preserved mushrooms are fresh mushrooms that have been cleaned, graded, sorted, sometimes sliced or diced, blanched, packed in a liquid medium (including water, brine, and butter or butter sauce) in airtight containers, and heated or retorted (preserved by heat sterilization) in cans or jars. Fresh mushrooms are typically processed within 24 hours of harvesting. There are three main types of purchasers of certain preserved mushrooms: industrial users, food-service customers, and retailers. Industrial users consume preserved mushrooms in the production of other foods such as soups and spaghetti sauces. Food-service purchasers include major pizza chains, other restaurants, and distributors for institutional applications. Retailers generally sell preserved mushrooms in smaller cans and jars.<sup>25</sup>

### **1. The Original Investigations and Prior Five-Year Reviews**

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 perceptions, and price.<sup>26</sup> 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.<sup>27</sup>

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<sup>24</sup> *Certain Preserved Mushrooms From Chile, India, Indonesia, and the People's Republic of China: Final Results of Expedited Sunset Reviews of Antidumping Duty Orders*, 85 Fed. Reg. 78306 (Dec. 4, 2020); *Issues and Decision Memorandum for the Final Results of the Expedited Sunset Reviews of the Antidumping Duty Orders on Certain Preserved Mushrooms from Chile, India, Indonesia, and the People's Republic of China* (Nov. 30, 2020) at 2-3. Commerce noted that on June 19, 2000, it had affirmed that "marinated," "acidified," or "pickled" mushrooms containing less than 0.5 percent acetic acid are within the scope of the antidumping duty orders. *Id.* at 3, n.8.

<sup>25</sup> CR/PR at I-9.

<sup>26</sup> *Original Chile Determination*, USITC Pub. 3144 at 4-5.

<sup>27</sup> *Original Chile Determination*, USITC Pub. 3144 at 5-6.

In the first five-year reviews, no party argued that the Commission should define the domestic like product differently than it did in the original investigations. The Commission defined a single domestic like product coextensive with the scope definition.<sup>28</sup> In the second and third five-year reviews, the Commission noted that the record in those 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 coextensive with the scope definition.<sup>29</sup>

## **2. The Current Reviews**

No new facts have been presented to warrant revisiting and defining the domestic like product differently than in the previous reviews.<sup>30</sup> Domestic Producers state that they agree with the definition set forth in the Commission's previous determinations.<sup>31</sup> Accordingly, we define a single domestic like product to be certain preserved mushrooms, coextensive with the scope of the orders under review.

### **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."<sup>32</sup> 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.

#### **1. Grower/Processor Provision**

In cases involving processed agricultural products, section 771(4)(E) of the Tariff Act authorizes the Commission to include growers' agricultural input within the domestic industry

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<sup>28</sup> *First Five-Year Review Determinations*, USITC Pub. 3731 at 5.

<sup>29</sup> *Second Five-Year Review Determinations*, USITC Pub. 4135 at 5; *Third Five-Year Review Determinations*, USITC Pub. 4557 at 6.

<sup>30</sup> See generally CR/PR at I-8 to I-10.

<sup>31</sup> Response at 22.

<sup>32</sup> 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.

producing the processed agricultural product if the processed agricultural product is produced from the raw product<sup>33</sup> through a single continuous line of production, and there is a substantial coincidence of economic interest between the growers and processors based upon relevant economic factors.<sup>34</sup> Under this provision, the processed product is considered to be processed from the raw product in a single continuous line of production if the raw agricultural product is substantially or completely devoted to the production of the processed agricultural product, and the processed agricultural product is produced substantially or completely from the raw product.<sup>35</sup>

The Commission did not include growers of fresh mushrooms in the domestic industry in the original investigations or the first, second, or third five-year reviews. In each of these proceedings, the Commission determined that the statutory requirement that “the processed agricultural product {be} produced from the raw agricultural product through a single continuous line of production” was not satisfied.<sup>36</sup> This was because only a small percentage of fresh mushrooms was processed in any manner.<sup>37</sup>

The record in the current five-year reviews shows that it continues to be true that a small portion of fresh mushrooms produced in the United States are processed in any manner. Only about 9.0 percent of the 2017-2018 mushroom crop was sold for processing.<sup>38</sup> 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 used in the production of the processed agricultural product.<sup>39</sup> 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.

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<sup>33</sup> “Raw agricultural product” is defined as any farm or fishery product. 19 U.S.C. § 1677(4)(E)(iv).

<sup>34</sup> 19 U.S.C. § 1677(4)(E)(i).

<sup>35</sup> 19 U.S.C. § 1677(4)(E)(ii).

<sup>36</sup> See 19 U.S.C. 1677(4)(E)(i)(I).

<sup>37</sup> 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), 15 percent in the second five-year reviews (*Second Five-Year Review Determinations*, USITC Pub. 4135 at 6), and 13 percent in the third five-year reviews (*Third Five-Year Review Determinations*, USITC Pub. 4135 at 7).

<sup>38</sup> CR/PR at I-9 & n.31.

<sup>39</sup> See generally GC-JJ-028 at 29 (Feb. 7, 2011).

## 2. Related Parties

We must determine whether any producer of the domestic like product should be excluded from the domestic industry pursuant to section 771(4)(B) of the Tariff Act (19 U.S.C. § 1677(4)(B)). This provision allows the Commission, if appropriate circumstances exist, to exclude from the domestic industry producers that are related to an exporter or importer of subject merchandise or which are themselves importers.<sup>40</sup> Exclusion of such a producer is within the Commission's discretion based upon the facts presented in each investigation.<sup>41</sup> In the original investigations and previous reviews of the orders, the Commission found that appropriate circumstances did not exist to exclude any domestic producer as a related party.<sup>42</sup> In these expedited five-year reviews, the record is limited to information concerning 2019. \*\*\* imported preserved mushrooms during the period of review and thus is subject to the related parties provision. \*\*\* remains the \*\*\* domestic producer, producing \*\*\* pounds in 2019, which accounted for \*\*\* domestic production of preserved mushrooms that year.<sup>43</sup> It also imported \*\*\* pounds of preserved mushrooms from \*\*\* during 2019.<sup>44</sup> The ratio of its imports to its domestic production was \*\*\*

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<sup>40</sup> See *Torrington Co v. United States*, 790 F. Supp. 1161, 1168 (Ct. Int'l Trade 1992), *aff'd* without opinion, 991 F.2d 809 (Fed. Cir. 1993); *Sandvik AB v. United States*, 721 F. Supp. 1322, 1331-32 (Ct. Int'l Trade 1989), *aff'd* mem., 904 F.2d 46 (Fed. Cir. 1990); *Empire Plow Co. v. United States*, 675 F. Supp. 1348, 1352 (Ct. Int'l Trade 1987).

<sup>41</sup> The primary factors the Commission has examined in deciding whether appropriate circumstances exist to exclude a related party include the following:

- (1) the percentage of domestic production attributable to the importing producer;
- (2) the reason the U.S. producer has decided to import the product subject to investigation (whether the firm benefits from the LTFV sales or subsidies or whether the firm must import in order to enable it to continue production and compete in the U.S. market);
- (3) whether inclusion or exclusion of the related party will skew the data for the rest of the industry;

- (4) the ratio of import shipments to U.S. production for the imported product; and
- (5) whether the primary interest of the importing producer lies in domestic production or importation. *Changzhou Trina Solar Energy Co. v. USITC*, 100 F. Supp.3d 1314, 1326-31 (Ct. Int'l. Trade 2015); see also *Torrington Co. v. United States*, 790 F. Supp. at 1168.

<sup>42</sup> Original Chile Determination, USITC Pub. 3144 at 7-9; First Five-Year Review Determinations, USITC Pub. 3731 at 7-8; Second Five-Year Review Determinations, USITC Pub. 4135 at 6-7; Third Five-Year Review Determinations, USITC Pub. 4135 at 6 n.26.

<sup>43</sup> See CR/PR at I-14, B-3, and Table I-1.

<sup>44</sup> See CR/PR at I-13, B-4, and Table I-1. Its imports were equivalent to \*\*\* percent of total imports of preserved mushrooms from \*\*\* in 2019. *Id.*



percent in 2019.<sup>45</sup> Given \*\*\* commitment to domestic production, and the relatively small volume of its imports, we find that appropriate circumstances do not exist to exclude \*\*\* from the domestic industry. Consequently, we define the domestic industry to include all domestic producers of preserved mushrooms for purposes of these fourth five-year reviews.

### III. Cumulation

#### A. 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 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.<sup>46</sup>

Cumulation therefore is discretionary in five-year reviews, unlike original investigations, which are governed by section 771(7)(G)(i) of the Tariff Act.<sup>47</sup> 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

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<sup>45</sup> See CR/PR at I-13 and B-3. It also reported \*\*\* in 2019 while two of the other three domestic producers reported \*\*\*. See CR/PR at B-3.

<sup>46</sup> 19 U.S.C. § 1675a(a)(7).

<sup>47</sup> 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).

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 August 3, 2020.<sup>48</sup>

#### **A. The Original Investigations and Prior Reviews**

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 were 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.<sup>49</sup> Accordingly, for its original determination on subject imports from Chile, the Commission cumulated subject imports from Chile, China, and India.<sup>50</sup> For its original determinations on subject imports from China and India, the Commission cumulated imports from all four subject countries.<sup>51</sup> For its original determination on subject imports from Indonesia, the Commission cumulated subject imports from China, India, and Indonesia.<sup>52</sup>

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.<sup>53</sup> 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

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<sup>48</sup> *Certain Preserved Mushrooms from Chile, China, India, and Indonesia; Institution of Five-Year Reviews*, 85 Fed. Reg. 46725 (Aug. 3, 2020).

<sup>49</sup> *Original Chile Determination*, USITC Pub. 3144 at 13-14.

<sup>50</sup> *Original Chile Determination*, USITC Pub. 3144 at 15.

<sup>51</sup> *Original China/India/Indonesia Determinations*, USITC Pub. 3159 at 10.

<sup>52</sup> *Original China/India/Indonesia Determinations*, USITC Pub. 3159 at 10.

<sup>53</sup> *First Five-Year Review Determinations*, USITC Pub. 3731 at 10-13.

did not find a reasonable overlap in its original determinations.<sup>54</sup> Based on the record in the 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.<sup>55</sup> 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.<sup>56</sup>

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.<sup>57</sup> 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.<sup>58</sup> 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 for which it found a likely reasonable overlap of competition.<sup>59</sup> 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

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<sup>54</sup> *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.

<sup>55</sup> *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.

<sup>56</sup> 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.

<sup>57</sup> *Second Five-Year Review Determinations*, USITC Pub. 4135 at 9-11.

<sup>58</sup> *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.

<sup>59</sup> *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.

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.<sup>60</sup>

In the third five-year reviews, 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.<sup>61</sup> In considering whether there would likely be a reasonable overlap of competition, the Commission relied heavily on its findings concerning an overlap of competition from the first reviews and original investigations. There was no new evidence in the record beyond that evidence and the presence of the subject imports from each subject country (except Chile) during the review period. The Commission found that the recent data regarding simultaneous presence in the market indicated a continuation of patterns observed in the first reviews and accordingly made the same findings with respect to a likely overlap of competition concerning preserved mushrooms from different sources that it made in the first reviews. It therefore found for subject imports from Chile, that there was 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 was 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 was a likely reasonable overlap of competition with the domestic like product and with subject imports from China and India.<sup>62</sup>

Further, based on the limited information in the record of the third reviews, the Commission did not find any significant differences in likely conditions of competition among imports from any of the subject countries for which it found a likely reasonable overlap of competition. Therefore, for its determination concerning subject imports from Chile, the Commission cumulated subject imports from Chile, China, and India; for its determinations on subject imports from China and India, it cumulated imports from all four subject countries; for

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<sup>60</sup> *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.

<sup>61</sup> *Third Five-Year Review Determinations*, USITC Pub. 4557 at 11-14.

<sup>62</sup> *Third Five-Year Review Determinations*, USITC Pub. 4557 at 14-17. Commissioners Broadbent and Johanson found a likely reasonable overlap of competition among subject imports from all four countries and between subject imports and the domestic like product. Consequently, they cumulated subject imports from all four countries for their determination. See *Separate and Concurring Views of Chairman Meredith M. Broadbent and Commissioner David S. Johanson*, USITC Pub. 4557 at 38-39 (finding that the record concerning channels of distribution was 12 years old or more, distinctions between the various channels of distribution had blurred, and that the distinctions largely involved differences in packaging while producers in both Chile and Indonesia had the ability to alter the sizes of their packaging enabling them to compete with each other in the U.S. market).

its determination on subject imports from Indonesia, it cumulated subject imports from China, India, and Indonesia.<sup>63</sup>

## **B. The Current Reviews**

Domestic Producers argue that the Commission should again cumulate subject imports in these reviews, as it has done in its prior reviews, because the same conditions that led the Commission to cumulate imports in the prior reviews continue to exist.<sup>64</sup> First, they assert that there is no evidence that imports from the subject countries are likely to have no discernible adverse impact on the domestic industry, because absent continuation of the orders, subject imports from each country are likely to enter the U.S. market in significant volumes and at prices that would undercut domestic pricing, causing significant adverse effects on the domestic industry. Second, they argue that there continues to be a likely reasonable overlap of competition as the Commission determined in the prior five-year reviews as nothing in the record of these reviews contradicts the Commission's findings in the prior reviews.<sup>65</sup>

## **C. Analysis**

### **1. Likely 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.<sup>66</sup> 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.<sup>67</sup> 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

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<sup>63</sup> *Third Five-Year Review Determinations*, USITC Pub. 4557 at 18. As noted, Commissioners Broadbent and Johanson found a likely reasonable overlap of competition among subject imports from all four countries and between subject imports and the domestic like product and cumulated subject imports from all four countries for their determination. See *Separate and Concurring Views of Chairman Meredith M. Broadbent and Commissioner David S. Johanson*, USITC Pub. 4557 at 38-39.

<sup>64</sup> Final Comments at 3-5.

<sup>65</sup> Final Comments at 3-5.

<sup>66</sup> 19 U.S.C. § 1675a(a)(7).

<sup>67</sup> SAA, H.R. Rep. No. 103-316, vol. I at 887 (1994).

countries takes into account, among other things, the nature of the product and the behavior of subject imports in the original investigations.

Based on the record in these reviews, we find that imports from each subject country are not likely to have no discernible adverse impact on the domestic industry in the event of revocation of the corresponding order.

*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 then to 5.4 million pounds in 1997, but was higher in interim (January-June) 1998 than in interim 1997.<sup>68</sup> In 1998, there were 6.5 million pounds of subject imports from Chile.<sup>69</sup> Since then, there have been no imports of subject merchandise from Chile.<sup>70</sup>

The record in these fourth reviews indicates that Inversiones Bosques del Mauco SA is the primary producer and exporter of preserved mushrooms in Chile; it has the capacity to produce and package 2 million pounds of preserved mushrooms per month and facilities with a capacity for 30,000 meters squared of monthly cultivation.<sup>71</sup> Exports of preserved mushrooms from Chile fluctuated during the period examined in these reviews, but were lower at the end of the period than at the beginning.<sup>72</sup> As noted, subject imports from Chile exited the U.S. market after 1998 and there were no subject imports from Chile during the period of review.<sup>73</sup> In 2019, Chile exported 86,000 pounds of preserved mushrooms to Haiti.<sup>74</sup> Based on the foregoing, we find that subject imports from Chile would not likely have no discernible adverse impact on the domestic industry if the antidumping duty order concerning these imports were 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 then to 71.1 million pounds in 1997, but was higher in interim 1998 than in interim 1997.<sup>75</sup> Subject import volume from China

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<sup>68</sup> *Original Chile Determination*, USITC Pub. 3144 at Table IV-1.

<sup>69</sup> See CR/PR at Appendix C.

<sup>70</sup> CR/PR at Table I-3; USITC Pub. 4135 at Table I-2; USITC Pub. 4557 at Table I-3.

<sup>71</sup> CR/PR at I-20 (citing Response at 8). The Embassy of Chile provided a submission in these reviews explaining that Inversiones Bosques del Mauco SA “would not participate in this review, as it has no longer commercial interest in the market of the relevant product and the high burden that an adequate participation would impose on them.” CR/PR at I-2 n.6.

<sup>72</sup> CR/PR at Table I-5 (Global Trade Atlas data include out-of-scope preserved specialty mushrooms as well as in-scope preserved mushrooms).

<sup>73</sup> CR/PR at Table I-3.

<sup>74</sup> CR/PR at Table I-5.

<sup>75</sup> *Original China/India/Indonesia Determinations*, USITC Pub. 3159 at Table IV-1.

was 48.0 million pounds in 1998 and then declined sharply to 320,000 pounds in 1999. Subject imports subsequently increased in the next five years, reaching 61.0 million pounds in 2004, then declined in the next two years, before increasing to 78.8 million pounds in 2007 and 83.5 million pounds in 2008.<sup>76</sup> Subject imports from China declined irregularly in the five years covered in the third reviews, falling from 67.6 million pounds in 2009 to 8.9 million pounds in 2014.<sup>77</sup>

In these fourth reviews, the record is very limited concerning the Chinese preserved mushroom industry. The record shows that subject imports from China maintained a presence in the U.S. market although they declined over the period of review, falling from 4.0 million pounds in 2015 to 423,000 pounds in 2019.<sup>78</sup> The Domestic Producers provided information concerning nine possible producers/exporters of preserved mushrooms in China.<sup>79</sup> The record also shows that the Chinese industry was a large exporter of preserved mushrooms during the period of review although its exports of preserved mushrooms declined overall from 485.0 million pounds in 2015 to 435.3 million pounds in 2019.<sup>80</sup> Based on the foregoing, we find that subject imports from China would not likely have no discernible adverse impact on the domestic industry if the antidumping duty order concerning these imports were 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.<sup>81</sup> The volume of subject imports from India was 12.6 million pounds in 1998, jumped to 32.0 million pounds in 1999, reached a peak in 2000 at 34.4 million pounds; it then declined the next three years, rose to 33.7 million pounds in 2004, and declined irregularly in the 2005-2008 period. Import volume was 20.6 million pounds in 2008, 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.<sup>82</sup>

In these fourth five-year reviews, there is limited information concerning the mushroom industry in India. Subject imports declined irregularly from 470,000 pounds in 2015 to zero

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<sup>76</sup> CR/PR at Appendix C; USITC Pub 4135 at Table I-2.

<sup>77</sup> *Third Five-Year Review Determinations*, USITC Pub. 4557 at 12.

<sup>78</sup> CR/PR at Table I-3.

<sup>79</sup> CR/PR at I-22.

<sup>80</sup> CR/PR at Table I-6 (Global Trade Atlas data include out-of-scope preserved specialty mushrooms as well as in-scope preserved mushrooms). *See also* CR/PR at Table I-9 (revised) (China largest exporter of preserved mushrooms).

<sup>81</sup> *Third Five-Year Review Determinations*, USITC Pub. 4557 at 12-13.

<sup>82</sup> *Third Five-Year Review Determinations*, USITC Pub. 4557 at 13.

pounds in 2018 and 2019.<sup>83</sup> The record also shows that exports of preserved mushrooms from India remained present in all markets although they declined over the period of review, falling from 129,000 pounds in 2015 to less than 500 pounds in 2019.<sup>84</sup> The Domestic Producers provided a list of five possible producers of preserved mushrooms in India.<sup>85</sup> Based on the foregoing, we find that subject imports from India would not likely have no discernible adverse impact on the domestic industry if the antidumping duty order concerning these imports were 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.<sup>86</sup> The volume of subject imports from Indonesia was 26.7 million pounds in 1998, increased to 29.1 million pounds in 1999, and then declined through 2003.<sup>87</sup> The volume of subject imports from Indonesia fluctuated between \*\*\* pounds during the period examined in the second reviews; subject imports in 2008 were \*\*\* pounds.<sup>88</sup> The volume of subject imports from Indonesia declined from 18.0 million pounds in 2009 to 5.6 million pounds in 2014.<sup>89</sup>

In these fourth five-year reviews, there is limited information on the record concerning the preserved mushroom industry in Indonesia. The Domestic Producers provided a list of four possible producers of preserved mushrooms in Indonesia.<sup>90</sup> Subject imports from Indonesia remained present in the market but declined over the period of review, falling from 6.6 million pounds in 2015 to 667,000 pounds in 2019.<sup>91</sup> Likewise, the record shows that Indonesia continued to export preserved mushrooms over the period although the exports declined, from

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<sup>83</sup> CR/PR at Table I-3.

<sup>84</sup> CR/PR at Table I-7 (Global Trade Atlas data include out-of-scope preserved specialty mushrooms as well as in-scope preserved mushrooms).

<sup>85</sup> CR/PR at I-24.

<sup>86</sup> *Original China/India/Indonesia Determination*, USITC Pub. 3159, Table IV-1.

<sup>87</sup> The Commission indicated in its third reviews that 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. *Third Five-Year Review Determinations*, USITC Pub. 4557 at 13.

<sup>88</sup> *Third Five-Year Review Determinations*, USITC Pub. 4557 at 13; Confidential Third Review Views, EDIS Doc. 1569519 at 20.

<sup>89</sup> *Third Five-Year Review Determinations*, USITC Pub. 4557 at 13-14.

<sup>90</sup> CR/PR at I-26.

<sup>91</sup> CR/PR at Table I-3.



13.6 million pounds in 2015 to 4.2 million pounds in 2019.<sup>92</sup> Based on the foregoing, we find that subject imports from Indonesia would not likely have no discernible adverse impact on the domestic industry if the antidumping duty order concerning these imports were revoked.

## 2. Likely 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.<sup>93</sup> Only a “reasonable overlap” of competition is required.<sup>94</sup> In five-year reviews, the 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.<sup>95</sup>

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

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<sup>92</sup> CR/PR at Table I-8 (Global Trade Atlas data include out-of-scope preserved specialty mushrooms as well as in-scope preserved mushrooms). *See also* CR/PR at Table I-9 (Indonesia one of the largest exporters of preserved mushrooms).

<sup>93</sup> 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).

<sup>94</sup> *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 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).

<sup>95</sup> *See generally, Cheflin Corp. v. United States*, 219 F. Supp. 2d 1313, 1314 (Ct. Int’l Trade 2002).

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.<sup>96</sup>

The record of the first five-year reviews provides the most recent information concerning fungibility as the Commission collected information from market participants concerning interchangeability of preserved mushrooms from different sources. A majority of purchasers and U.S. producers reported that domestically produced preserved mushrooms were always interchangeable with imports from each of the subject countries. A majority of U.S. importers reported that domestically 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.<sup>97</sup>

Purchasers were asked in the first five-year reviews to compare preserved mushrooms from different sources on 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.<sup>98</sup>

*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 subject country combinations. The data 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.<sup>99</sup> By contrast, 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.<sup>100</sup>

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<sup>96</sup> *Original Chile Determination*, USITC Pub. 3144 at 11-12; *Original China/India/Indonesia Determination*, USITC Pub. 3159 at 7-8.

<sup>97</sup> Memorandum INV-BB-123, Tables II-4 to II-6 (Oct. 4, 2004) (EDIS Doc. 415599).

<sup>98</sup> INV-BB-123, Table II-3.

<sup>99</sup> *Original China/India/Indonesia Determinations*, confidential opinion at 10 (EDIS Doc. 415597).

<sup>100</sup> *Original China/India/Indonesia Determinations*, USITC Pub. 3159 at 8.

The most recent 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.<sup>101</sup>

Subject imports from Chile were not in the U.S. market during the period examined in the first five-year reviews. The record from the first five-year reviews indicated that distribution patterns of subject imports from China and India varied substantially. There were years when imports from China had substantial distribution in the food service and retail channels and shipments to the industrial channel never amounted to more than \*\*\* percent in any year.<sup>102</sup> There were 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.<sup>103</sup> Subject imports from Indonesia were concentrated in the retail channel throughout the period examined during the first five-year reviews, with \*\*\* shipments to food service users.<sup>104</sup> Additionally, the record contained information reflecting overlaps among purchasers of product produced domestically and product from China, India, and Indonesia.<sup>105</sup>

*Geographic Overlap.* In the original investigations, the Commission found that the domestic like product and imports from each subject country were sold nationwide.<sup>106</sup> 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.<sup>107</sup>

In current reviews, the record indicates that a majority of imports from China entered through western ports of entry during 2015, through eastern ports of entry during 2016 and 2017, and through eastern, northern, and western ports of entry during 2018 and 2019. The majority of subject imports from India entered through eastern ports of entry in all years from 2015 to 2017. The majority of subject imports from Indonesia entered through northern and

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<sup>101</sup> INV-BB-123, Table F-1.

<sup>102</sup> INV-BB-123, Table F-1.

<sup>103</sup> INV-BB-123, Table F-1.

<sup>104</sup> INV-BB-123, Table F-1.

<sup>105</sup> INV-BB-123, Table E-1

<sup>106</sup> *Original Chile Determination*, USITC Pub. 3144 at 12.

<sup>107</sup> INV-BB-123 at II-3.

western ports of entry in 2015 and 2016, and through eastern and western ports of entry between 2017 and 2019. During 2019, U.S. imports of preserved mushrooms from China and Indonesia entered through the following ports of entry: Baltimore, Los Angeles, New York, and Seattle.<sup>108</sup>

As in the prior five-year reviews, there is no evidence that subject imports would not again compete in the same geographic markets with domestically produced preserved mushrooms upon revocation of the orders.

*Simultaneous Presence in Market.* Subject imports from Chile were present in the U.S. market throughout the original investigation but left the market after 1998 and have not returned. Subject imports from China, India, and Indonesia were present in the U.S. market for each year between 1995 and 2014.<sup>109</sup> U.S. imports of preserved mushrooms from China and Indonesia also continued to be present each year between 2015 and 2019, while subject imports from India were present in the years 2015, 2016, and 2017.<sup>110</sup>

*Conclusion.* 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. In the second and third reviews, the Commission majority made the same findings on the basis of the record in the first reviews.<sup>111</sup>

The record of these expedited reviews contains very limited current information concerning the participation of subject imports in the U.S. market during the period of review. There is nothing in the record that detracts from the Commission's findings in the first five-year reviews with respect to a likely reasonable overlap of competition. Because the same findings

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<sup>108</sup> See CR/PR at I-19.

<sup>109</sup> *Third Five-Year Review Determinations*, USITC Pub. 4557 at 16.

<sup>110</sup> CR/PR at Table I-3. There were no reported U.S. imports of preserved mushrooms from Chile during 2015-2019. Imports from China were reported in 56 of the 60 months during 2015-19. Imports from India were reported in 22 of the 60 months during 2015-19, although there were no reported imports from India during 2018 or 2019. Imports from Indonesia were reported in 54 of the 60 months during 2015-2019, although there were no reported imports from Indonesia for 4 months of 2019. CR/PR at I-19.

<sup>111</sup> *Second Five-Year Review Determinations*, USITC Pub. 4135 at 13; *Third Five-Year Review Determinations*, USITC Pub. 4557 at 17. As noted above, in the third five-year reviews, Commissioners Broadbent and Johanson found 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, USITC Pub. 4557 at 35.

are equally applicable to the current record, we find, for subject imports from Chile, 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, 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, there is a likely reasonable overlap of competition with the domestic like product and with subject imports from China and India.<sup>112</sup>

### **3. 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 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. 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.

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<sup>112</sup> Commissioner Johanson does not join this conclusion and instead finds a likely reasonable overlap of competition among subject imports from all four countries and between subject imports and the domestic like product. Commissioner Johanson adopts, for the purposes of these reviews, his separate and concurring views on cumulation presented in the third reviews together with then-Chairman Broadbent. *See Separate and Concurring Views of Chairman Meredith M. Broadbent and Commissioner David S. Johanson*, USITC Pub. 4557 at 35. The only notable changes since those views were published are that the most recent data on the channels of distribution for imports from Chile are now nearly 23 years old and the most recent data on channels of distribution for imports from Indonesia are now 17 years old. *See USITC Pub. 3159* (Feb. 1999) at Table I-2 and *USITC Pub. 3731* (Oct. 2004) at Tables F-1 and F-2. This further decreases the likelihood that imports from these two countries would again enter the U.S. market using the same channels of distribution employed so many years ago and increases the likelihood of a reasonable overlap of competition between subject imports from Chile and Indonesia should the orders be revoked.

#### 4. Conclusion<sup>113</sup>

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. Revocation of the Antidumping 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.”<sup>114</sup> 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.”<sup>115</sup> Thus, the likelihood standard is prospective in nature.<sup>116</sup> The U.S. Court of International Trade has found that

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<sup>113</sup> As noted above, Commissioner Johanson does not join this conclusion and has determined to cumulate subject imports from all four countries for his determinations on subject imports from Chile, China, India, and Indonesia.

<sup>114</sup> 19 U.S.C. § 1675a(a).

<sup>115</sup> SAA, H.R. Rep. 103-316, vol. I at 883-84 (1994). 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.

<sup>116</sup> 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.

“likely,” as used in the five-year review provisions of the Act, means “probable,” and the Commission applies that standard in five-year reviews.<sup>117</sup>

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.”<sup>118</sup> 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.”<sup>119</sup>

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.”<sup>120</sup> 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).<sup>121</sup> The statute further provides

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<sup>117</sup> 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) (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’”).

<sup>118</sup> 19 U.S.C. § 1675a(a)(5).

<sup>119</sup> 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.*

<sup>120</sup> 19 U.S.C. § 1675a(a)(1).

<sup>121</sup> 19 U.S.C. § 1675a(a)(1). Commerce has not issued any duty absorption findings with respect to the orders on preserved mushrooms from Chile, China, India, and Indonesia since Commerce’s continuation of the orders in September 2015. *Issues and Decision Memorandum for the Final Results of the Expedited Sunset Reviews of the Antidumping Duty Orders on Certain Preserved Mushrooms from Chile, India, Indonesia, and the People’s Republic of China* (Nov. 30, 2020) at 4.

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.<sup>122</sup>

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.<sup>123</sup> 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; (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.<sup>124</sup>

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.<sup>125</sup>

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

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<sup>122</sup> 19 U.S.C. § 1675a(a)(5). Although the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

<sup>123</sup> 19 U.S.C. § 1675a(a)(2).

<sup>124</sup> 19 U.S.C. § 1675a(a)(2)(A-D).

<sup>125</sup> 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.



more advanced version of the domestic like product.<sup>126</sup> 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.<sup>127</sup>

No respondent interested party participated in these expedited reviews. The record, therefore, contains limited new information with respect to the preserved mushrooms industries in the subject countries. There also is limited information about the market for preserved mushrooms in the United States during the period of review. Accordingly, for our determinations, we rely as appropriate on the facts available from the original investigations and prior reviews and the limited new information on the record in these reviews.

## **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.”<sup>128</sup> The following conditions of competition inform our determinations.

### **1. Demand Conditions**

*Prior Proceedings.* In the original investigations, the Commission found that apparent U.S. consumption of preserved mushrooms had declined during the original period of investigation reportedly attributable to consumers switching from preserved mushrooms to fresh mushrooms, for which demand increased during the original period of investigation.<sup>129</sup> Another condition was the presence of three major types of purchasers in the marketplace –

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<sup>126</sup> 19 U.S.C. § 1675a(a)(4).

<sup>127</sup> 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.

<sup>128</sup> 19 U.S.C. § 1675a(a)(4).

<sup>129</sup> *Original Chile Determination*, USITC Pub. 3144 at 16; *Original China/India/Indonesia Determination*, USITC Pub. 3159 at 11.

retail, food service, and industrial – each of which was associated with a different channel of distribution.<sup>130</sup>

In the first five-year 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.<sup>131</sup>

In the second five-year reviews, the Commission found that that 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.<sup>132</sup>

In the third five-year reviews, the Commission noted that available information indicated that apparent U.S. consumption of preserved mushrooms in 2014 was 116 million pounds, a level below the level in 2008 in the second five-year reviews, and 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.<sup>133</sup>

*Current Reviews.* The record does not indicate any changes in the uses for preserved mushrooms.<sup>134</sup> The Domestic Producers note that demand for preserved mushrooms has remained relatively steady over the period of these reviews as apparent U.S. consumption in 2019 is at a similar level to that of 2014.<sup>135</sup> Apparent U.S. consumption totaled 116.3 million pounds in 2014 and 116.0 million pounds in 2019.<sup>136</sup>

## 2. Supply

*Prior Proceedings.* In the first five-year reviews, the Commission found that there had been several changes in the composition of the domestic industry, with the number of U.S.

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<sup>130</sup> *Original Chile Determination*, USITC Pub. 3144 at 16-17; *Original China/India/Indonesia Determination*, USITC Pub. 3159 at 11.

<sup>131</sup> *First Five-Year Review Determinations*, USITC Pub. 3731 at 22.

<sup>132</sup> *Second Five-Year Review Determinations*, USITC Pub. 4135 at 18.

<sup>133</sup> *Third Five-Year Review Determinations*, USITC Pub. 4557 at 22.

<sup>134</sup> See CR/PR at I-10.

<sup>135</sup> Final Comments at 5-6.

<sup>136</sup> CR/PR at Table I-4.

producers having declined since the original period of investigation. Nonsubject imports increased sharply after the orders were imposed and subsequently declined.<sup>137</sup> In the second five-year reviews, the Commission observed that the capacity of the domestic industry had declined since the time of the first five-year reviews.<sup>138</sup>

In the third five-year reviews, the record indicated that there had 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, as did the domestic industry's capacity. The domestic industry supplied 31.5 percent of apparent U.S. consumption of preserved mushrooms in 2014. The four subject countries supplied 13.6 percent of apparent U.S. consumption in 2014 while nonsubject imports supplied 54.9 percent of apparent U.S. consumption.<sup>139</sup>

*Current Reviews.* The Domestic Producers report that one U.S. producer, Monterey Mushrooms, closed its facility in Bonne Terre, Missouri in 2019.<sup>140</sup> As a result, the domestic industry's production capacity was more than 50 percent lower in 2019 than in 2014.<sup>141</sup> Even with this closure, the domestic industry's capacity utilization in 2019 was only 40.3 percent.<sup>142</sup>

The record indicates that nonsubject imports accounted for the largest share of the U.S. market in 2019, serving 79.5 percent of the U.S. market.<sup>143</sup> The Netherlands supplied increasing volumes of preserved mushrooms and accounted for the majority of nonsubject imports during the period of review.<sup>144</sup> The domestic industry's shipments accounted for 19.5 of apparent U.S. consumption in 2019 while cumulated subject imports accounted for 0.9 percent of apparent U.S. consumption that year.<sup>145</sup>

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<sup>137</sup> *First Five-Year Review Determinations*, USITC Pub. 3731 at 22.

<sup>138</sup> *Second Five-Year Review Determinations*, USITC Pub. 4135 at 18.

<sup>139</sup> *Third Five-Year Review Determinations*, USITC Pub. 4557 at 22, I-5; Confidential Third Review Views, EDIS Doc. 1569519 at 34.

<sup>140</sup> Final Comments at 5-6.

<sup>141</sup> See CR/PR at Table I-2. The Domestic industry's production capacity was 142.2 million pounds in 2014 and 70.6 million pounds in 2019.

<sup>142</sup> See CR/PR at Table I-2.

<sup>143</sup> CR/PR at Table I-4.

<sup>144</sup> See CR/PR at Table I-3.

<sup>145</sup> CR/PR at Table I-4.

### 3. Substitutability and Other Conditions

*Prior Proceedings.* 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.<sup>146</sup> In the expedited second five-year reviews, the Commission found that the record contained no information that would lead it to question that finding.<sup>147</sup> The Commission stated in the third five-year reviews that nothing in the record indicated that this finding was no longer applicable.<sup>148</sup>

*Current Reviews.* In these reviews, there again is no new information on the record to suggest that the substitutability of preserved mushrooms from domestic and subject sources has changed since the original investigations or first five-year reviews. Accordingly, we again find that the domestic like product and subject merchandise are at least moderate substitutes.

#### C. Likely Volume of Subject Imports

##### 1. Prior Proceedings

*Original Investigations.* 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 increase in market penetration of cumulated subject imports were significant.<sup>149</sup>

*First Five-Year Reviews.* 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

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<sup>146</sup> *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.

<sup>147</sup> *Second Five-Year Review Determinations*, USITC Pub. 4135 at 19.

<sup>148</sup> *Third Five-Year Review Determinations*, USITC Pub. 4557 at 22.

<sup>149</sup> *Original Chile Determination*, USITC Pub. 3144 at 17; *Original China/India/Indonesia Determinations*, USITC Pub. 3159 at 12-13, 17-18.

two years, declined in 2002, and rose sharply in 2003.<sup>150</sup> 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 as large as the quantity observed during the original investigations, and that total capacity increased in China and India during the period of review.<sup>151</sup>

The Commission stated that following factors supported a conclusion that subject producers in Chile, China, and India would increase exports to the United States upon revocation: (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.<sup>152</sup>

In its determination on subject imports from Indonesia, the Commission found that 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.”<sup>153</sup> In light of this conclusion, the Commission found that subject import volume from Indonesia would likely increase substantially over current levels.<sup>154</sup>

*Second Five-Year Reviews.* In the second five-year reviews, the Commission found that for each of the three cumulation combinations it was considering, the quantity of subject imports had increased since the period examined during the first five-year reviews.<sup>155</sup> 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 under consideration. 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.

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<sup>150</sup> *First Five-Year Review Determinations*, USITC Pub. 3731 at 23.

<sup>151</sup> *First Five-Year Review Determinations*, USITC Pub. 3731 at 23-24.

<sup>152</sup> *First Five-Year Review Determinations*, USITC Pub. 3731 at 24.

<sup>153</sup> *First Five-Year Review Determinations*, USITC Pub. 3731 at 29.

<sup>154</sup> *First Five-Year Review Determinations*, USITC Pub. 3731 at 28-29.

<sup>155</sup> *Second Five-Year Review Determinations*, USITC Pub. 4135 at 20.

market to the subject producers, and (5) barriers to exportation in third-country export markets.<sup>156</sup>

*Third Five-Year Reviews.* In the third five-year reviews, the Commission found that for each of the three cumulation combinations the quantity of subject imports declined sharply towards the end of the period examined. The sharp drop in the volume and market share of subject imports for each cumulation combination appeared to be attributable in large part to the discovery of pesticide and fungicide contamination of preserved mushrooms from China and India. The Commission found that the contamination problems with subject imports from China and India were not insurmountable as previous contamination concerns were resolved and large volumes of subject imports subsequently entered the U.S. market.<sup>157</sup>

Observing that each subject country exported appreciable quantities of preserved mushrooms during the period of review, the Commission found for each cumulation combination that cumulated subject import volume would likely increase significantly upon revocation. The Commission found that the Chilean industry was export-oriented with excess capacity; it noted the industry in China was the largest producer and exporter of preserved mushrooms in the world; it found the Indian industry had increased its capacity, had unused capacity, and had large modern facilities for processing mushrooms; and it found that the Indonesian industry's largest export market for preserved mushrooms was the United States. The Commission also found that imports from the subject countries were subject to barriers to importation in other export markets and that the subject industries had increased exports to the United States during periods of declining demand, confirming the attractiveness of the U.S. market.<sup>158</sup>

## **2. The Current Reviews**

The record in these fourth five-year reviews shows that subject imports from Chile were not present in the U.S. market during the period of review while those from China, India, and Indonesia declined over the period.<sup>159</sup> As a result, for each of the three cumulation combinations, the quantity of subject imports declined over the period examined in these

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<sup>156</sup> *Second Five-Year Review Determinations*, USITC Pub. 4135 at 21.

<sup>157</sup> *Third Five-Year Review Determinations*, USITC Pub. 4557 at 24-25.

<sup>158</sup> *Third Five-Year Review Determinations*, USITC Pub. 4557 at 25-27.

<sup>159</sup> See CR/PR at Table I-3.

reviews.<sup>160</sup> Their share of apparent U.S. consumption in 2019 was 0.9 percent for cumulated imports from all subject countries and cumulated imports for China, India, and Indonesia and 0.4 percent for cumulated imports from Chile, China, and India.<sup>161</sup> Both figures are substantially lower than the comparable figures for previous years for which market share data are available. These figures were 13.6 percent and 8.8 percent, respectively, in 2014, and \*\*\* percent and 58.1 percent, respectively, in 2008.<sup>162</sup> Nonetheless, the record reflects that subject imports maintained a presence in the U.S. market. Their continued presence during the period of review, albeit in decreasing volumes, notwithstanding the disciplining effect of the orders, demonstrates a sustained interest in exporting to the United States.

For each cumulation combination we find it likely that cumulated subject import volume will increase significantly upon revocation. Each subject country exported preserved mushrooms during the period of review.<sup>163</sup> The historic data available in the record further indicate that the industry in each country has consistently exported the \*\*\* majority of its production.<sup>164</sup> Additionally, the information discussed below indicates that each subject country has the ability to direct significant additional quantities of subject merchandise to the United States.

During the original investigations, the industry in Chile had \*\*\* excess capacity.<sup>165</sup> At that time, the Chilean industry relied heavily on exports to the United States, suggesting that the Chilean industry would seek to export additional volumes to the United

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<sup>160</sup> For subject imports from Chile, China, and India, which the Commission is cumulating for purposes of its determination regarding subject imports from Chile, cumulated subject import quantities increased from 4.5 million pounds in 2015 to 4.7 million pounds in 2016 before declining to 2.6 million pounds in 2017, 1.5 million pounds in 2018, and 423,000 pounds in 2019. See CR/PR at Table I-3.

For subject imports from China, India, and Indonesia, which the Commission is cumulating for purposes of its determination regarding subject imports for Indonesia, cumulated subject import quantities declined throughout the period examined. They were 11.0 million pounds in 2015, 9.5 million pounds in 2016, 4.5 million pounds in 2017, 3.0 million pounds in 2018, and 1.1 million pounds in 2019. *Id.* The volume of cumulated subject imports from all four countries, which the Commission is cumulating for purposes of its determinations for China and India (and which constitutes the cumulation grouping used by Commissioner Johanson for all subject countries), are the same volumes as those for the China, India, and Indonesia determination because there are no subject imports from Chile.

<sup>161</sup> CR/PR at Table I-4.

<sup>162</sup> CR/PR at Table I-4.

<sup>163</sup> CR/PR at Tables I-5, I-6, I-7, and I-8.

<sup>164</sup> INV-V-089 at Tables VII-1 (Chile), VII-2 (China) (Nov. 5, 1999) (EDIS Doc. 415595); INV-BB-123 (Oct. 4, 2004) at IV-3 (India) and IV-4 (Indonesia).

<sup>165</sup> INV-V-089, Table VII-1.

States if the order were revoked.<sup>166</sup> More recent information indicates that the current producer of preserved mushrooms in Chile, Inversiones Bosques del Mauco SA, has production capacity of 2 million pounds per month.<sup>167</sup> This production capacity is comparable to the Chilean industry's capacity during the time of the original investigations (\*\*\*) pounds annually) and suggests that this producer will likely seek to increase its exports given the modest level of its exports during 2019 and the fluctuating volumes of its exports during the period of review.<sup>168</sup>

During the original investigations, the industry in China had \*\*\* excess capacity and exported over half of its production to the United States during 1996 and 1997.<sup>169</sup> While we have limited recent data on the industry, the Domestic Producers provided information concerning nine potential producers of preserved mushrooms in China.<sup>170</sup> There is nothing in the current record to indicate that the industry in China no longer has significant unused capacity to increase exports to the United States.

Evidence in the record of these reviews also indicates that the industry in China is the largest global producer and exporter of preserved mushrooms.<sup>171</sup> Chinese export data show that the industry in China exports substantial quantities of preserved mushrooms to many different markets, providing the industry the ability to divert exports from other markets to the United States if the order is revoked.<sup>172</sup>

The most recent data available concerning the production and capacity of the Indian industry, which are from the period examined in the first five-year reviews, indicate that the industry more than \*\*\* its capacity over the period to \*\*\* pounds in 2003.<sup>173</sup> Moreover, throughout the period examined in the first five-year reviews, the amount of unused capacity, in relation to exports to the United States, was significant.<sup>174</sup>

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<sup>166</sup> See INV-V-089 at Tables VII-1 (exporting over 90 percent of shipments to the United States from 1995-1997).

<sup>167</sup> CR/PR at I-20; Response at 8 and Exhibit 2. The assets of the only known producer of preserved mushrooms in Chile at the time of the original investigations were sold to Inversiones Bosques del Mauco SA, after the first firm went bankrupt in 2001. CR/PR at I-20.

<sup>168</sup> See CR/PR at Table I-5. For instance, though its exports were 86,000 pounds in 2019, the industry in Chile increased its exports from 23,000 pounds in 2016 to 7.7 million pounds in 2017. *Id.*

<sup>169</sup> INV-V-089 at Table VII-2 (reflecting \*\*\* pounds of excess capacity in 1997).

<sup>170</sup> CR/PR at I-22; Response at 9-10.

<sup>171</sup> CR/PR at Table I-9 (revised).

<sup>172</sup> CR/PR at Table I-6.

<sup>173</sup> INV-BB-123 at Table IV-3.

<sup>174</sup> INV-BB-123 at Table IV-3.



The Domestic Producers provided more recent information concerning five potential producers of preserved mushrooms in India.<sup>175</sup> The record indicates that the mushroom canning industry in India consists of a few modern growing and processing facilities.<sup>176</sup> There is nothing in the record of these expedited reviews to indicate that the industry in India no longer has significant unused capacity to increase exports to the United States. While the Indian industry's exports of preserved mushrooms were limited during the period of review, as recently as 2012, exports of preserved mushrooms from India to the United States were 12.8 million pounds.<sup>177</sup>

The most recent data available concerning the production and capacity of the preserved mushroom industry in Indonesia are from the first five-year reviews.<sup>178</sup> These data show that the Indonesian industry had capacity of \*\*\* pounds in 2003.<sup>179</sup> The industry was reliant on the U.S. market during the first five-year review period, exporting \*\*\* percent of its shipments to the United States during 2003.<sup>180</sup> The Domestic Producers have also provided information concerning four possible producers of preserved mushrooms in Indonesia.<sup>181</sup>

Exports of preserved mushrooms from Indonesia to the United States were substantial during the current period of review, notwithstanding declining volumes.<sup>182</sup> Further, with the exception of one year (2019), the United States was the largest export market for Indonesian preserved mushrooms from 2015 to 2019.<sup>183</sup>

Consequently, for each cumulation combination, available information supports a finding that the subject industries have the ability to direct significant additional exports to the United States upon revocation of the antidumping duty orders. Subject industries continue to produce and export the subject merchandise, and there is no information in the current record suggesting a decline in subject producers' capacity or unused capacity since the prior reviews and original investigations. The record also shows that the Chinese industry currently is by far the world's largest source of exports of preserved mushrooms.<sup>184</sup>

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<sup>175</sup> CR/PR at I-24; Response at 10-11.

<sup>176</sup> Response at 10-11.

<sup>177</sup> USITC Pub. 4557 at Table I-10.

<sup>178</sup> See CR/PR at I-25 to I-26.

<sup>179</sup> INV-BB-123 at Table IV-4.

<sup>180</sup> INV-BB-123 at Table IV-4.

<sup>181</sup> CR/PR at I-26; Response at 11.

<sup>182</sup> See CR/PR at Table I-8.

<sup>183</sup> See CR/PR at Table I-8.

<sup>184</sup> See CR/PR at Table I-9 (revised).

The available record evidence further indicates that the United States continues to be an attractive market for subject imports. Although subject import volumes have fluctuated since the original investigations, imports from three of the four subject countries have maintained a presence in the U.S. market during the period examined in these reviews, notwithstanding the restraining effect of the antidumping duty orders and a substantial decline in demand.<sup>185</sup> Nonsubject imports from the Netherlands, the second largest exporter of preserved mushrooms, increased over the period of review, confirming the attractiveness of the U.S. market.<sup>186</sup>

Additionally, imports from the subject countries are subject to barriers to importation in other export markets. Preserved mushrooms from Chile and China are subject to antidumping duties imposed by Mexico, and preserved mushrooms from Chile, China, India, and Indonesia have been subject to a tariff-rate quota in the European Union.<sup>187</sup> The record also reflects an oversupply of preserved mushrooms in Europe, further suggesting that the United States would likely be an important export market if the orders under review are revoked.<sup>188</sup>

Based on subject producers' behavior during the original investigations, the continued presence of subject imports in the United States despite the orders, the production and export activities of producers in subject countries, and the attractiveness of the United States as an export market, we conclude that the volume of cumulated subject imports for each cumulation combination, both in absolute terms and relative to U.S. consumption, would likely be significant if the orders were revoked.<sup>189</sup>

## **D. Likely Price Effects**

### **1. Prior Proceedings**

*Original Investigations.* 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

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<sup>185</sup> See CR/PR at Table I-4; Response at Exhibit 1.

<sup>186</sup> CR/PR at Table I-3.

<sup>187</sup> CR/PR at I-28.

<sup>188</sup> CR/PR at I-28.

<sup>189</sup> 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 information concerning these factors.

found there to be 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 68-ounce stems and pieces pricing product on which the Commission particularly focused in its pricing analysis. 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.<sup>190</sup>

*First Five-Year Reviews.* 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.<sup>191</sup>

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 there to be 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 investigations and the period of review. It therefore concluded that revocation would likely cause significant price depression.<sup>192</sup>

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.<sup>193</sup> 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

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<sup>190</sup> *Original Chile Determination*, USITC Pub. 3144 at 18-20; *Original China/India/Indonesia Determinations*, USITC Pub. 3159 at 13-15, 18-20.

<sup>191</sup> *First Five-Year Review Determinations*, USITC Pub. 3731 at 25, 30.

<sup>192</sup> *First Five-Year Review Determinations*, USITC Pub. 3731 at 26.

<sup>193</sup> *First Five-Year Review Determinations*, USITC Pub. 3731 at 30-31.

likely cause significant price depression, using the same reasoning as it did for its similar finding concerning the cumulated subject imports.<sup>194</sup>

*Second Five-Year Reviews.* 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 under consideration 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. 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.<sup>195</sup>

*Third Five-Year Reviews.* In the third five-year reviews, the Commission relied upon the pricing comparison data in the original investigations showing underselling in 54 percent of comparisons for cumulated subject imports from Chile, China, and India;<sup>196</sup> 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.<sup>197</sup> Further, 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. In light of this consistent history of significant underselling, the Commission found that significant underselling would likely occur upon revocation for all cumulation combinations.<sup>198</sup>

The Commission found that 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

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<sup>194</sup> *First Five-Year Review Determinations*, USITC Pub. 3731 at 31-32.

<sup>195</sup> *Second Five-Year Review Determinations*, USITC Pub. 4135 at 23-24.

<sup>196</sup> *Original Chile Determination*, USITC Pub. 3144 at 20.

<sup>197</sup> *Original China/India/Indonesia Determinations*, USITC Pub. 3159 at 14, 19.

<sup>198</sup> *Third Five-Year Review Determinations*, USITC Pub. 4557 at 29-30.

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 were at least moderate substitutes with the domestic like product, the Commission found that the subject imports would likely have significant price-depressing or suppressing effects. Thus, the Commission found that subject imports would likely have significant adverse price effects in the event of revocation.<sup>199</sup>

## **2. The Current Reviews**

In these reviews, we again find that the domestic like product and subject imports are moderate substitutes and that price is an important factor in purchasing decisions.

Because these are expedited reviews, the record does not contain new pricing data from questionnaire responses. As discussed, for each cumulation combinations, the cumulated subject imports undersold the domestic like product in the majority of comparisons during the original investigations and that the underselling was even greater during the period examined in the first five-year reviews.<sup>200</sup>

We find that upon revocation, cumulated subject imports would likely undersell the domestic like product, as they did in the original investigations, and increase their volume of sales in the U.S. market as was the case in the original investigations. Accordingly, we conclude that the likely significant volume of cumulated subject imports would undersell the domestic like product to a significant degree and would likely gain market share or have price suppressing or depressing effects if the orders were revoked.

### **E. Likely Impact**

#### **1. Prior Proceedings**

*Original Investigations.* In the original investigations, the Commission found that the cumulated subject imports gained market share at the expense of the domestic industry. There

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<sup>199</sup> *Third Five-Year Review Determinations*, USITC Pub. 4557 at 30. The Commission noted that during the prior proceedings, for which pricing data series were available, increasing volumes of subject imports correlated with declining prices for the domestic like product for every cumulation combination examined. *Third Five-Year Review Determinations*, USITC Pub. 4557 at 30 n.162.

<sup>200</sup> *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 26; *Confidential First Five-Year Review Determinations* at 38, 47 (EDIS Doc. 415602).

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.<sup>201</sup>

*First Five-Year Reviews.* In the first five-year reviews, the Commission found that the domestic industry showed some modest improvements in several indicators of performance 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.<sup>202</sup> In both the determinations 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, and that 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.<sup>203</sup>

*Second Five-Year Reviews.* 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 indicators. The Commission found that, for all cumulation combinations under consideration, 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 as to the likely material adverse impact of subject imports on the domestic industry.<sup>204</sup>

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<sup>201</sup> *Original Chile Determination*, USITC Pub. 3144 at 21-24; *Original China/India/Indonesia Determinations*, USITC Pub. 3159 at 15-17, 20-22.

<sup>202</sup> *First Five-Year Review Determinations*, USITC Pub. 3731 at 27.

<sup>203</sup> *First Five-Year Review Determinations*, USITC Pub. 3731 at 27, 32-33.

<sup>204</sup> *Second Five-Year Review Determinations*, USITC Pub. 4135 at 25-26.

*Third Five-Year Reviews.* In the third five-year reviews, the Commission found the limited data concerning the condition of the domestic industry in 2014 indicated 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. While several indicators suggested that the domestic industry's condition had deteriorated since 2008, the Commission did not conclude that the domestic industry was in a vulnerable condition in light of the limited data.<sup>205</sup>

The Commission found that the additional volumes of subject imports would likely undersell the domestic like product and cause further declines in the domestic industry's production, shipments, sales revenues, and market share. The additional quantities of low-priced subject imports would also likely lead to a deterioration in the financial performance of the domestic industry, as they did during the original investigations and first five-year reviews. The Commission consequently found, 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.<sup>206</sup>

The Commission found that if demand for preserved mushrooms continued to decline, the subject imports would likely exacerbate the declines in the domestic industry's performance by taking market share away from the industry. The Commission also considered the role of nonsubject imports. It noted 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. It found that in the event of the revocation of the orders, it was likely that this would occur again.<sup>207</sup>

## **2. The Current Reviews**

In the current reviews, the information available concerning the domestic industry's condition is based on data the Domestic Producers provided in their response to the notice of institution.<sup>208</sup> In 2019, the domestic industry's capacity was 70.6 million pounds, its production was 28.5 million pounds, and its capacity utilization was 40.3 percent.<sup>209</sup> The domestic industry's U.S. shipments totaled 22.7 million pounds in 2019.<sup>210</sup> Although the domestic

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<sup>205</sup> *Third Five-Year Review Determinations*, USITC Pub. 4557 at 31-32.

<sup>206</sup> *Third Five-Year Review Determinations*, USITC Pub. 4557 at 32.

<sup>207</sup> *Third Five-Year Review Determinations*, USITC Pub. 4557 at 32-33.

<sup>208</sup> CR/PR at Table I-2; Response at Exhibit 7.

<sup>209</sup> CR/PR at Table I-2.

<sup>210</sup> CR/PR at Table I-2.

industry's capacity and shipments were lower during 2019 than in 2014, as a result of Monterey Mushrooms ceasing production in 2019, the domestic industry reported greater production in 2019 than in 2014.<sup>211</sup>

In 2019, the domestic industry reported an operating loss of \$1.3 million from net sales revenue of \$42.2 million, resulting in an operating loss margin of 3.0 percent.<sup>212</sup> Its sales revenue, operating income, and operating margin were all lower than it reported at the end of the second and third five-year review periods.<sup>213</sup> The industry's market share based on quantity was also lower than in prior periods.<sup>214</sup> While several indicators suggest that the domestic industry's condition has deteriorated since the third five-year reviews, the limited evidence in these reviews is insufficient for us to make a finding on whether the domestic industry is vulnerable to the continuation or recurrence of material injury should the orders be revoked.

As discussed above, we have found that, upon revocation of the orders, subject import volume would likely be significant and subject imports would likely have significant price effects. Based on the information on the record, we further find that the likely significant volume and price effects of the subject imports would likely have a significant adverse effect on the production, shipment, sales, market share, employment, and revenues of the domestic industry. The likely declines in these factors would, in turn, likely have a direct adverse impact on the domestic industry's profitability.

In evaluating the likely impact of subject imports if the orders under review are revoked, we have also considered the role of factors other than subject imports, including declining demand. To the extent that demand for preserved mushrooms declines, the likely volume and price effects of cumulated 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.<sup>215</sup> 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 declines in demand.

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<sup>211</sup> See CR/PR at Table I-2; Response at 18.

<sup>212</sup> CR/PR at Table I-2.

<sup>213</sup> See CR/PR at Table I-2.

<sup>214</sup> See CR/PR at Table I-4. For instance, the domestic industry's market share was 31.5 percent in 2014. *Id.*

<sup>215</sup> See CR/PR at Tables I-4 and I-5.



We have also considered the role of nonsubject imports. We note that in both the original investigations and in the period covered by the first five-year reviews, subject imports gained market share at the expense of both the domestic product and nonsubject imports.<sup>216</sup> In the event of the revocation of the orders, it is likely that this would occur again. Consequently, the subject imports would likely have adverse effects distinct from any that may be caused by declining demand or nonsubject imports if the orders were revoked.

## **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.

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<sup>216</sup> CR/PR at Tables I-4 and C-1 (1999-2003). Subject imports also held a greater share of the market in the second five-year review period 2008 than in 2003 during the first five-year review period and nonsubject imports held a reduced share. See CR/PR at Table I-4.



# Information obtained in these reviews

## Background

On August 3, 2020, the U.S. International Trade Commission (“Commission”) gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”),<sup>1</sup> that it had instituted reviews 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.<sup>2</sup> All interested parties were requested to respond to this notice by submitting certain information requested by the Commission.<sup>3 4</sup> The following tabulation presents information relating to the background and schedule of this proceeding:

<b>Effective date</b>	<b>Action</b>
August 1, 2020	Notice of initiation by Commerce (85 FR 47185, August 4, 2020)
August 3, 2020	Notice of institution by Commission (85 FR 46725, August 3, 2020)
November 6, 2020	Commission’s vote on adequacy
December 4, 2020	Commerce’s results of its expedited reviews
March 1, 2021	Commission’s determinations and views

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<sup>1</sup> 19 U.S.C. 1675(c).

<sup>2</sup> 85 FR 46725, August 3, 2020. 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. 85 FR 47185, August 4, 2020. Pertinent Federal Register notices are referenced in app. A, and may be found at the Commission’s website ([www.usitc.gov](http://www.usitc.gov)).

<sup>3</sup> As part of their response to the notice of institution, interested parties were requested to provide company-specific information. That information is presented in app. B. Summary data compiled in the original investigations and subsequent full reviews are presented in app. C.

<sup>4</sup> Interested parties were also requested to provide a list of three to five leading purchasers in the U.S. market for the subject merchandise. Presented in app. D are the responses received from purchaser surveys transmitted to the purchasers identified in this proceeding.

## 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 the following entities: Giorgio Foods, Inc. (“Giorgio Foods”), L.K. Bowman Co. (“L.K. Bowman”), a division of Hanover Foods Corporation, Sunny Dell Foods, LLC (“Sunny Dell”), and The Mushroom Co. (formerly Mushroom Canning Co.), domestic producers of preserved mushrooms (collectively referred to herein as “domestic interested parties”).<sup>5</sup>

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 table I-1.<sup>6</sup>

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<sup>5</sup> \*\*\*. \*\*\*. Domestic interested parties’ response to the notice of institution, September 2, 2020, pp. 3 and 19.

<sup>6</sup> The Embassy of Chile filed a letter with the Commission on August 20, 2020, indicating its interest in participating in these reviews. Letter from Matias Pinto, Head of Economic Department, Embassy of Chile, August 20, 2020. Although the Embassy of Chile did not provide a response to the notice of institution by the Commission’s September 2, 2020 deadline, it did file comments on September 30, 2020. In its comments, the Embassy of Chile indicated that there have been no exports of preserved mushrooms from Chile to the United States since 1998. The Embassy of Chile also provided limited information about one Chilean producer, Inversiones Bosques del Mauco (“Inversiones Bosques”), and noted that Inversiones Bosques “would not participate in this review, as it has no longer commercial interest in the market of the relevant product and the high burden that an adequate participation would impose on them.”. Relevant Facts and Comments – Government of Chile, September 2020, p. 1.

**Table I-1**

**Preserved mushrooms: Summary of responses to the Commission’s notice of institution**

Type of interested party	Completed responses	
	Number of firms	Coverage
Domestic:		
U.S. producers	4	***%
***		
***	***	***%

Note: The U.S. producer coverage figure presented is the domestic interested parties’ estimate of their share of total U.S. production of preserved mushrooms in 2019. Domestic interested parties’ response to the notice of institution, September 2, 2020, p. 21.

Note: \*\*\*.

### **Party comments on adequacy**

The Commission received party comments on the adequacy of responses to the notice of institution and whether the Commission should conduct expedited or full reviews from domestic interested parties Giorgio Foods, L.K. Bowman, Sunny Dell, and The Mushroom Co. The domestic interested parties request that the Commission conduct expedited reviews of the antidumping duty orders on preserved mushrooms.<sup>7</sup>

## **The original investigations and subsequent reviews**

### **The original investigations**

The original investigations resulted from petitions filed on January 6, 1998 with Commerce and the Commission by (1) L.K. Bowman, Nottingham, Pennsylvania; (2) Modern Mushroom Farms, Inc., Toughkenamon, Pennsylvania; (3) Monterey Mushrooms, Inc., Watsonville, California; (4) Mount Laurel Canning Corp., Temple, Pennsylvania; (5) Mushroom Canning Co., Kennett Square, Pennsylvania; (6) Sunny Dell, Oxford, Pennsylvania; and (7) United Canning Corp., North Lima, Ohio.<sup>8</sup> On October 22, 1998, Commerce determined that

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<sup>7</sup> Domestic interested parties’ comments on adequacy, October 16, 2020.

<sup>8</sup> Southwood Farms, Hockessin, Delaware, joined the petitions on March 9, 1998. Certain Preserved Mushrooms from Chile, Investigation No. 731-TA-776 (Final), USITC Publication 3144, November 1998, p. I-1 (“Original Chile publication”); Certain Preserved Mushrooms from China, India, and Indonesia, Investigation Nos. 731-TA-777-770 (Final), USITC Publication 3159, February 1999 (“Original 3 country publication”), p. I-1.

imports of preserved mushrooms from Chile were being sold at less than fair value (“LTFV”)<sup>9</sup> and on December 31, 1998, determined that imports of preserved mushrooms from China, India, and Indonesia were being sold at LTFV.<sup>10</sup> The Commission determined on November 25, 1998, that the domestic industry was materially injured by reason of LTFV imports of preserved mushrooms from Chile<sup>11</sup> and on February 11, 1999, determined that the domestic industry was materially injured by reason of LTFV imports of preserved mushrooms from China, India, and Indonesia.<sup>12</sup> On December 2, 1998, Commerce issued its antidumping duty order on imports of preserved mushrooms from Chile with the final weighted-average dumping margin of 148.51 percent<sup>13</sup> and on February 19, 1999, issued antidumping duty orders on imports of preserved mushrooms from China, India, and Indonesia with the final weighted-average dumping margins ranging from 121.47 to 198.63 percent for China, 6.28 to 243.87 percent for India, and 7.94 to 22.84 percent for Indonesia.<sup>14</sup>

### **The first five-year reviews**

On February 6, 2004, the Commission determined that it would conduct full reviews of the antidumping duty orders on preserved mushrooms from Chile, China, India, and Indonesia.<sup>15</sup> On March 10, 2004, Commerce determined 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 dumping.<sup>16</sup> On October 28, 2004, the Commission determined that material injury would be likely to continue or recur within a reasonably

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<sup>9</sup> 63 FR 56613, October 22, 1998.

<sup>10</sup> Commerce found that critical circumstances existed for subject merchandise exported from China by Tak Fat and other non-responding companies in China. 63 FR 72246, December 31, 1998 (India), 63 FR 72255, December 31, 1998 (China), and 63 FR 72268, December 31, 1998 (Indonesia).

<sup>11</sup> 63 FR 66575, December 2, 1998.

<sup>12</sup> The Commission was evenly split (3-3) on its critical circumstances determination concerning subject imports from China. 64 FR 9178, February 24, 1999. Commerce considered the Commission to have made an affirmative critical circumstances determination. 64 FR 8308, February 19, 1999.

<sup>13</sup> 63 FR 66529, December 2, 1998.

<sup>14</sup> 64 FR 8308, February 19, 1999 (China); 64 FR 8311, February 19, 1999 (India); 64 FR 8310, February 19, 1999 (Indonesia). Effective February 1, 2002, Commerce revoked the antidumping duty order with respect to PT Zeta Agro Corp. (“PT Zeta Agro”), an exporter of preserved mushrooms from Indonesia. 68 FR 39521, July 2, 2003.

<sup>15</sup> 69 FR 7793, February 19, 2004.

<sup>16</sup> 69 FR 11384, March 10, 2004.

foreseeable time.<sup>17</sup> Following affirmative determinations in the five-year reviews by Commerce and the Commission, effective November 17, 2004, Commerce issued a continuation of the antidumping duty orders on imports of preserved mushrooms from Chile, China, India, and Indonesia.<sup>18</sup>

### **The second five-year reviews**

On January 4, 2010, the Commission determined that it would conduct expedited reviews of the antidumping duty orders on preserved mushrooms from Chile, China, India, and Indonesia.<sup>19</sup> On December 18, 2009, Commerce published its final results 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 dumping.<sup>20</sup> On April 9, 2010, the Commission determined that material injury would be likely to continue or recur within a reasonably foreseeable time.<sup>21</sup> Following affirmative determinations in the five-year reviews by Commerce and the Commission, effective April 28, 2010, Commerce issued a continuation of the antidumping duty orders on imports of preserved mushrooms from Chile, China, India, and Indonesia.<sup>22</sup>

### **The third five-year reviews**

On June 5, 2015, the Commission determined that it would conduct expedited reviews of the antidumping duty orders on preserved mushrooms from Chile, China, India, and Indonesia.<sup>23</sup> On July 8, 2015, Commerce determined 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 dumping.<sup>24</sup> On August 14, 2015, the Commission determined that material injury would be likely to continue or recur within a reasonably foreseeable time.<sup>25</sup> Following affirmative determinations in the five-year reviews by Commerce and the

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<sup>17</sup> 69 FR 63408, November 1, 2004.

<sup>18</sup> 69 FR 67308, November 17, 2004.

<sup>19</sup> 75 FR 3756, January 22, 2010.

<sup>20</sup> 74 FR 67170, December 18, 2009.

<sup>21</sup> 75 FR 19658, April 15, 2010.

<sup>22</sup> 75 FR 22369, April 28, 2010.

<sup>23</sup> 80 FR 38464, July 6, 2015.

<sup>24</sup> 80 FR 39053, July 8, 2015.

<sup>25</sup> 80 FR 51310, August 24, 2015.

Commission, effective September 2, 2015, Commerce issued a continuation of the antidumping duty orders on imports of preserved mushrooms from Chile, China, India, and Indonesia.<sup>26</sup>

## **Previous and related investigations**

Although mushrooms have been subject to multiple general factfinding and safeguard investigations, preserved mushrooms have not been the subject of any prior related antidumping or countervailing duty investigations in the United States.

## **Commerce's five-year reviews**

Commerce is conducting expedited reviews with respect to the orders on imports of preserved mushrooms from Chile, China, India, and Indonesia and intends to issue the final results of these reviews based on the facts available no later than December 2, 2020.<sup>27</sup> Commerce's Issues and Decision Memoranda, published concurrently with Commerce's final results, will contain complete and up-to-date information regarding the background and history of the orders, including scope rulings, duty absorption, changed circumstances reviews, and anti-circumvention. Upon publication, a complete version of the Issues and Decision Memoranda can be accessed at <http://enforcement.trade.gov/frn/>. The Issues and Decision Memoranda will also include any decisions that may have been pending at the issuance of this report. Any foreign producers/exporters that are not currently subject to the antidumping duty orders on imports of preserved mushrooms from Chile, China, India, and Indonesia are noted in the sections titled "The original investigations" and "U.S. imports," if applicable.

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<sup>26</sup> 80 FR 53104, September 2, 2015.

<sup>27</sup> Letter from Shawn Thompson, Director, AD/CVD Operations, Enforcement and Compliance, U.S. Department of Commerce to Nannette Christ, Director of Investigations, September 30, 2020.



## The product

### Commerce's scope

Commerce has defined the scope as follows:

*The merchandise subject to the orders is certain 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.).<sup>28</sup>*

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<sup>28</sup> 80 FR 53104, September 2, 2015.

## U.S. tariff treatment

Certain 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 0711.51.00. 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 0711.51.00. Certain preserved mushrooms (HTS subheadings 2003.10.01 and 0711.51.00) imported from China are subject to a 25 percent ad valorem duty under Section 301 of the Trade Act of 1974. Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

## Description and uses<sup>29</sup>

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.

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).

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<sup>29</sup> Unless otherwise noted, this information is based on Preserved Mushrooms from Chile, China, India, and Indonesia, Investigation Nos. 731-TA-776-779 (Third Review), USITC Publication 4557, August 2015 (“Third review publication”), pp. I-6-9.

## Manufacturing process<sup>30</sup>

The imported and domestic products covered in these reviews are preserved mushrooms of the *Agaricus bisporus* and *Agaricus bitorquis* (collectively “*Agaricus*”) species. Raw *Agaricus* mushrooms used to produce the subject preserved mushrooms are often white but may also include off-white (cream and brown) mushrooms. U.S. mushroom growers sell most of their mushrooms in the fresh market, whereas approximately 9 percent annually of all *Agaricus* mushrooms grown in the United States are sold for processing.<sup>31</sup> 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. 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.

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. Due to the perishable nature of raw mushrooms, they are generally processed within 24 hours after harvest. Fresh mushrooms for processing are cleaned, inspected, and weighed, and then washed with plain water and blanched (cooked) to an internal temperature of at least 180 degrees for 7-8 minutes.<sup>32</sup> 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 saltwater solution, ascorbic acid, or other preservatives). 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.<sup>33</sup> Processed mushrooms are generally tan or gray in color, have a slightly salty taste, and a soft texture. Mushrooms packed

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<sup>30</sup> Unless otherwise noted this information is based on Third review publication, pp. I-5-6.

<sup>31</sup> U.S. mushroom growers reported 891 million pounds of sales from the 2017-18 *Agaricus* mushroom crop. From the total, 813 million pounds (91 percent) were sold for the fresh market, and 78 million pounds (9 percent) were sold to the processing market. U.S. Department of Agriculture (“USDA”), National Agricultural Statistics Service (“NASS”), Mushrooms, August 21, 2018.

<sup>32</sup> 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.

<sup>33</sup> Canned mushrooms generally have a shelf life of up to 3 years.

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), 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.

## **The industry in the United States**

### **U.S. producers**

During the final phase of the original investigations, the Commission received U.S. producer questionnaires from 11 firms, which accounted for virtually all production of preserved mushrooms in the United States during 1997.<sup>34</sup>

During the full first five-year reviews, the Commission received U.S. producer questionnaires from seven firms, which accounted for \*\*\* production of preserved mushrooms in the United States during 2003.<sup>35</sup>

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<sup>34</sup> Original Chile publication, p. III-1; Original 3 country publication, p. III-1.

<sup>35</sup> Investigation Nos. 731-TA-776-779 (Review): Certain Preserved Mushrooms from Chile, China, India, and Indonesia, Confidential Report, INV-BB-123, October 4, 2004, as revised in INV-BB-124, October 7, 2004, and INV-BB-125, October 14, 2004 (“First review confidential report”), p. I-20. After the original investigations, the structure of the domestic industry changed substantially through company closures and acquisitions. Ron-Son Mushroom Products, Inc. \*\*\*; Mount Laurel Canning was purchased by Monterrey 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 \*\*\*. Investigation Nos. 731-TA-776-779 (Second Review): Preserved Mushrooms from Chile, China, India, and Indonesia, Confidential Report, INV-HH-017, March 9, 2010, (“Second review confidential report”), pp. I-1, I-17.

During the expedited second five-year reviews, domestic interested parties provided a list of six known U.S. producers of preserved mushrooms, which accounted for \*\*\* production of preserved mushrooms in the United States during 2008. Certain U.S. industry data for all six known U.S. producers of preserved mushrooms were provided in the domestic industry's response to the Commission's notice of institution in the second five-year reviews.<sup>36</sup>

During the expedited third five-year reviews, three firms provided U.S. industry data in response to the Commission's notice of institution. These three firms accounted for \*\*\* percent of production of preserved mushrooms in the United States during 2014.<sup>37</sup>

In response to the Commission's notice of institution in these current reviews, domestic interested parties provided a list of five known and currently operating U.S. producers of preserved mushrooms. Four firms providing U.S. industry data in response to the Commission notice of institution in these reviews accounted for \*\*\* percent of production of preserved mushrooms in the United States during 2019.<sup>38</sup>

## Recent developments

Since the Commission's last five-year reviews, the sales volume of fresh *Agaricus* mushrooms for processing decreased by 30.4 million pounds, or by 32 percent, between crop years 2015-16 and 2018-19, while the price per pound increased by slightly more than 2 percent reflecting rising production costs for growers of fresh mushrooms.<sup>39</sup> Furthermore, in 2019 Monterey closed its production operations in Bonne Terre, Missouri.<sup>40</sup> Regardless, the domestic interested parties noted that U.S. demand for preserved mushrooms remained fairly steady from 2014 to 2019.<sup>41</sup>

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<sup>36</sup> Second review confidential report, pp. I-1, I-17

<sup>37</sup> Investigation Nos. 731-TA-776-779 (Third Review): Preserved Mushrooms from Chile, China, India, and Indonesia, Confidential Report, INV-NN-027, May 26, 2015, ("Third review confidential report"), p. I-3.

<sup>38</sup> Domestic interested parties' response to the notice of institution, September 2, 2020, p. 21.

<sup>39</sup> USDA, NASS, Mushrooms, August 21, 2018; USDA, NASS, Mushrooms, August 21, 2019; Nanni, C. "U.S. mushroom producing costs on the rise," IHS Markit, September 5, 2019.

<sup>40</sup> Domestic interested parties' response to the notice of institution, September 2, 2020, p. 18.

<sup>41</sup> Ibid., p. 22.

## 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 in the current five-year reviews.<sup>42</sup> Table I-2 presents a compilation of the trade and financial data submitted from all responding U.S. producers in the original investigations and subsequent five-year reviews.

**Table I-2**  
**Preserved mushrooms: Trade and financial data submitted by U.S. producers, 1997, 2003, 2008, 2014, and 2019**

Item	1997	2003	2008	2014	2019
Capacity (1,000 pounds)	203,523	200,044	176,757	142,183	70,580
Production (1,000 pounds)	74,711	50,161	44,726	26,855	28,477
Capacity utilization (percent)	36.7	25.1	25.3	18.9	40.3
U.S. shipments:					
Quantity (1,000 pounds)	74,642	47,687	35,170	36,578	22,655
Value (\$1,000)	90,279	55,722	51,944	65,525	41,182
Unit value (dollars per pound)	1.21	1.17	1.48	1.79	1.82
Net sales (\$1,000)	94,012	58,139	49,387	65,850	42,174
COGS (\$1,000)	81,957	55,543	41,013	57,761	39,959
COGS/net sales (percent)	107.8	95.5	83.0	87.7	94.7
Gross profit (loss) (\$1,000)	12,055	2,596	8,374	8,089	2,216
SG&A expenses (\$1,000)	10,815	4,150	4,287	4,900	3,502
Operating income (loss) (\$1,000)	1,240	(1,554)	4,087	3,190	(1,286)
Operating income (loss)/net sales (percent)	1.6	(2.7)	8.3	4.8	(3.0)

Notes continued on next page.

<sup>42</sup> Individual company trade and financial data are presented in app. B.

Note: For a discussion of data coverage, please see “U.S. producers” section.

Note: \*\*\*. Supplemental response to the notice of institution, September 14, 2020, p. 2.

Source: For the years 1997, 2003, 2008, and 2014, data are compiled using data submitted in the Commission’s original investigations and prior five-year reviews. For the year 2019, data are compiled using data submitted by domestic interested parties. Domestic interested parties’ response to the notice of institution, September 2, 2020, exh. 7.

## **Definitions of the domestic like product and domestic industry**

The domestic like product is defined as the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the subject merchandise. 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 the product. Under the related parties provision, the Commission may exclude a U.S. producer from the domestic industry for purposes of its injury determination if “appropriate circumstances” exist.<sup>43</sup>

In its original determinations, its full first five-year review determinations, and its expedited second and third five-year review determinations, the Commission found one domestic like product consisting of certain preserved mushrooms corresponding to Commerce’s scope and it defined the domestic industry to consist of all domestic producers of certain preserved mushrooms. Certain Commissioners defined the domestic industry differently in the original investigations.<sup>44</sup> In 2019, \*\*\* accounted for \*\*\* percent of \*\*\*.<sup>45</sup> \*\*\* were equivalent to \*\*\* percent of the quantity of \*\*\* U.S. production of preserved

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<sup>43</sup> Section 771(4)(B) of the Tariff Act of 1930, 19 U.S.C. § 1677(4)(B).

<sup>44</sup> 85 FR 46725, August 3, 2020. Commissioners Crawford and Askey found that appropriate circumstances existed to exclude domestic producers Giorgio Foods and \*\*\* as related parties in the original investigations. Original Chile publication, pp. 8-9; Original 3 country publication, p. 5; and Confidential 3 country Views of the Commission, p. 7.

<sup>45</sup> Domestic interested parties’ supplemental response to the notice of institution, September 14, 2020, p. 2.

mushrooms in 2019. \*\*\* accounted for \*\*\* percent of total U.S. production in 2019.<sup>46</sup>

## **U.S. imports and apparent U.S. consumption**

### **U.S. importers**

During the final phase of the original investigations, the Commission received U.S. importer questionnaires from 33 firms, which accounted for almost 82 percent of total U.S. imports of preserved mushrooms from Chile, China, India, and Indonesia during 1997.<sup>47</sup> Import data presented from the original investigations are based on official Commerce statistics.<sup>48</sup>

During the full first five-year reviews, the Commission received U.S. importer questionnaires from 19 firms, which accounted for \*\*\* percent of total U.S. imports of preserved mushrooms from Chile, China, India, and Indonesia during 2003.<sup>49</sup> Import data presented in the first reviews are based on adjusted official Commerce statistics.<sup>50</sup>

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<sup>46</sup> Domestic interested parties' response to the notice of institution, September 2, 2020, p. 21, exh. 7.

<sup>47</sup> Original 3 country publication, p. IV-1. Questionnaire data accounted for \*\*\*. Investigation Nos. 731-TA-776-779 (Final): Certain Preserved Mushrooms from Chile, China, India, and Indonesia, Confidential Report, INV-V-089, November 5, 1998 ("Original Chile confidential report"), p. IV-2; Investigation Nos. 731-TA-776-779 (Final): Certain Preserved Mushrooms from Chile, China, India, and Indonesia, Confidential Report, INV-W-005, January 20, 1999 ("Original 3 country confidential report"), p. IV-2.

<sup>48</sup> Import data presented in the original Chile investigation report are slightly different than those presented in the subsequent original 3 country investigation report. In the original 3 country investigation report where all imports from Indonesia were considered subject imports, official U.S. imports statistics were used to calculate U.S. imports from Indonesia. By contrast, not all Indonesian imports were subject imports at the time of the earlier Chile determination. Therefore, in the original Chile investigation report, the Commission used a combination of official U.S. import statistics and questionnaire data to calculate subject imports from Indonesia. Original 3 country publication, p. 12. For purposes of presentation in this report, the data presented for 1997 U.S. imports from Indonesia are based on official U.S. import statistics as presented in the latter original 3 country investigation report.

<sup>49</sup> First review confidential report, p. I-21.

<sup>50</sup> Subject U.S. imports from Indonesia presented for 2002 and 2003 were adjusted \*\*\* to remove U.S. imports from PT Zeta Agro. As previously noted, effective February 1, 2002, Commerce revoked the antidumping duty order with respect to Indonesian producer/exporter PT Zeta Agro. 68 FR 39521, July 2, 2003. These U.S. imports from PT Zeta Agro were presented as nonsubject imports from Indonesia subsequent to the company-specific revocation. Certain Preserved Mushrooms from Chile, China, India, and Indonesia, Investigation Nos. 731-TA-776-779 (Review), USITC Publication 3731, October 2004 ("First review publication"), p. IV-3.



Although the Commission did not receive responses from any respondent interested parties in its expedited second or third five-year reviews, the domestic interested parties provided in each proceeding a list of 157 firms that were possible importers of preserved mushrooms from Chile, China, India, and Indonesia.<sup>51</sup> Import data presented in the second and third reviews are based on adjusted official Commerce statistics.<sup>52</sup>

In its response to the Commission's notice of institution, the domestic interested parties provided a list of 126 potential U.S. importers of preserved mushrooms \*\*\*.<sup>53 54</sup>

## **U.S. imports**

Table I-3 presents the quantity, value, and unit value of U.S. imports from Chile, China, India, and Indonesia as well as the other top sources of U.S. imports (shown in descending order of 2019 imports by quantity).

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<sup>51</sup> Third review publication, p. I-14.

<sup>52</sup> 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. In 2014, according to \*\*\*.

<sup>53</sup> Domestic interested parties' response to the notice of institution, September 2, 2020, exh. 9; Domestic interested parties' supplemental response to the notice of institution, September 14, 2020, p. 2.

<sup>54</sup> The list of possible U.S. importers submitted by domestic interested parties likely overstates the actual number of U.S. importers of preserved mushrooms because it includes freight forwarding and logistics firms, as well as possible duplicate entities. Ibid.

**Table I-3**  
**Preserved mushrooms: U.S. imports, 2015-19**

Item	2015	2016	2017	2018	2019
	<b>Quantity (1,000 pounds)</b>				
Chile	--	--	--	--	--
China	3,981	3,761	2,524	1,495	423
India	470	934	100	--	--
Indonesia	6,593	4,841	1,832	1,477	667
Subtotal, subject	11,044	9,536	4,456	2,972	1,090
Netherlands	46,060	53,270	51,398	54,678	63,488
France	10,328	11,045	14,011	12,816	8,189
Spain	10,182	9,640	8,720	8,256	7,265
All other sources	8,300	6,229	12,055	9,521	13,281
Subtotal, nonsubject	74,870	80,184	86,184	85,271	92,223
Total imports	85,914	89,720	90,640	88,243	93,313
	<b>Landed, duty-paid value (\$1,000)</b>				
Chile	--	--	--	--	--
China	5,656	4,863	3,388	1,828	614
India	261	936	68	--	--
Indonesia	11,224	8,203	2,805	2,277	1,081
Subtotal, subject	17,140	14,003	6,261	4,105	1,695
Netherlands	64,106	69,297	67,010	69,711	81,027
France	14,847	15,815	20,384	19,704	11,955
Spain	12,625	11,918	10,407	10,482	9,267
All other sources	11,544	8,744	17,651	13,812	17,599
Subtotal, nonsubject	103,122	105,774	115,452	113,709	119,848
Total imports	120,262	119,776	121,713	117,813	121,543
	<b>Unit value (dollars per pound)</b>				
Chile	--	--	--	--	--
China	1.42	1.29	1.34	1.22	1.45
India	0.55	1.00	0.68	--	--
Indonesia	1.70	1.69	1.53	1.54	1.62
Subtotal, subject	1.55	1.47	1.40	1.38	1.56
Netherlands	1.39	1.30	1.30	1.27	1.28
France	1.44	1.43	1.45	1.54	1.46
Spain	1.24	1.24	1.19	1.27	1.28
All other sources	1.39	1.40	1.46	1.45	1.33
Subtotal, nonsubject	1.38	1.32	1.34	1.33	1.30
Total imports	1.40	1.33	1.34	1.34	1.30

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

Note: Commerce revoked the antidumping duty order on imports from the Indonesian manufacturer/exporter PT Zeta Agro effective February 1, 2002. According to \*\*\*.

Source: Compiled from 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, accessed September 23, 2020.

## Apparent U.S. consumption and market shares

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

**Table I-4**

**Preserved mushrooms: U.S. producers' U.S. shipments, U.S. imports, apparent U.S. consumption, and market shares, 1997, 2003, 2008, 2014, and 2019**

Item	1997	2003	2008	2014	2019
	<b>Quantity (1,000 pounds)</b>				
U.S. producers' U.S. shipments	74,642	47,687	35,170	36,578	22,655
U.S. imports from—					
Chile	5,429	--	--	--	--
China	67,209	48,139	83,460	8,894	423
India	9,949	27,010	20,606	1,282	--
Indonesia	31,791	***	***	5,595	667
Subject imports	114,379	***	***	15,771	1,090
All other sources	15,490	***	***	63,843	92,223
Total imports	129,869	140,216	143,783	79,614	93,313
Apparent U.S. consumption	204,511	187,903	178,953	116,273	115,968
	<b>Value (1,000 dollars)</b>				
U.S. producers' U.S. shipments	90,279	55,722	51,944	65,525	41,182
U.S. imports from—					
Chile	6,252	--	--	--	--
China	55,701	43,339	107,443	14,327	614
India	10,069	21,997	27,044	968	--
Indonesia	37,269	***	***	10,399	1,081
Subject imports	109,209	***	***	25,695	1,695
All other sources	18,447	***	***	97,291	119,848
Total imports	127,737	131,607	187,294	122,986	121,543
Apparent U.S. consumption	218,016	187,329	239,238	188,511	162,725

Table continued on next page.

**Table I-4--Continued****Preserved mushrooms: U.S. producers' U.S. shipments, U.S. imports, apparent U.S. consumption, and market shares, 1997, 2003, 2008, 2014, and 2019**

	Share of consumption based on quantity (percent)				
	1997	2003	2008	2014	2019
U.S. producer's share	36.5	25.4	19.7	31.5	19.5
U.S. imports from.—					
Chile	2.7	--	--	--	--
China	32.9	25.6	46.6	7.7	0.4
India	4.9	14.4	11.5	1.1	--
Indonesia	15.5	***	***	4.8	0.6
Subject imports	55.9	***	***	13.6	0.9
All other sources	7.6	***	***	54.9	79.5
Total imports	63.5	74.6	80.3	68.5	80.5
	Share of consumption based on value (percent)				
U.S. producer's share	41.4	29.7	21.7	34.8	25.3
U.S. imports from.---					
Chile	2.9	--	--	--	--
China	25.5	23.1	44.9	7.6	0.4
India	4.6	11.7	11.3	0.5	--
Indonesia	17.1	***	***	5.5	0.7
Subject imports	50.1	***	***	13.6	1.0
All other sources	8.5	***	***	51.6	73.7
Total imports	58.6	70.3	78.3	65.2	74.7

Note: For a discussion of data coverage, please see "U.S. producers" and "U.S. importers" sections.

Note: Subject U.S. imports from China presented for 1997 include U.S. imports from Hong Kong as reported in official import statistics. The petition in the original investigations alleged that there were no mushrooms grown or preserved in Hong Kong and the Commission reported that \*\*\*. Original 3 country publication, p. IV-1.

Note: U.S. imports from Indonesia for 2003 and 2008 were adjusted to remove U.S. imports originating from Indonesian manufacturer/exporter PT Zeta Agro, for which Commerce revoked the order effective February 1, 2002. These U.S. imports from PT Zeta Agro are included under nonsubject imports from "all other sources." In 2014 and 2019, \*\*\*.

Source: For the years 1997, 2003, 2008, and 2014, data are compiled using data submitted in the Commission's original investigations and prior five-year reviews. For the year 2019, U.S. producers' U.S. shipments are compiled from the domestic interested parties' response to the Commission's notice of institution and U.S. imports are compiled using official Commerce statistics under 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, accessed September 23, 2020.

## Cumulation considerations<sup>55</sup>

In assessing whether imports should be cumulated in five-year reviews, the Commission considers, among other things, whether there is a likelihood of a reasonable overlap of competition among subject imports and the domestic like product. Additional information concerning geographical markets and simultaneous presence in the market is presented below.<sup>56</sup>

There were no reported U.S. imports of preserved mushrooms from Chile during 2015-19. Imports from China were reported in 56 of the 60 months during 2015-19. Imports from India were reported in 22 of the 60 months during 2015-19, although there were no reported imports from India during 2018 or 2019. Imports from Indonesia were reported in 54 of the 60 months during 2015-19, although there were no reported imports from Indonesia for 4 months of 2019.

A majority of imports from China entered through western ports of entry during 2015, through eastern ports of entry during 2016 and 2017, and through eastern, northern, and western ports of entry during 2018 and 2019. The majority of imports from India entered through eastern ports of entry in all years from 2015 to 2017. The majority of imports from Indonesia entered through northern and western ports of entry in 2015 and 2016, and through eastern and western ports of entry between 2017 and 2019. During 2019, U.S. imports of preserved mushrooms from China and Indonesia were entered through the following same ports of entry: Baltimore, MD; Los Angeles, CA; New York, NY; and Seattle, WA.

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<sup>55</sup> Unless otherwise noted, this information is based on official U.S. import 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, accessed September 23, 2020.

<sup>56</sup> In addition, available information concerning subject country producers and the global market is presented in the next section of this report.

## The industry in Chile

During the final phase of the original investigations, the Commission received foreign producer/exporter questionnaire from one firm Nature's Farm Products (Chile), S.A. ("Nature Farm"), which accounted for all known production of preserved mushrooms in Chile during 1997.<sup>57</sup>

During the full first five-year reviews, the Commission requested data from the sole producer of preserved mushrooms in Chile during 2003, however Nature Firm did not provide the Commission with a response.<sup>58</sup>

Although the Commission did not receive responses from any respondent interested parties in its expedited second five-year reviews, the domestic interested parties identified two potential producers of preserved mushrooms in Chile: Nature Farm and Discom International Ltda.<sup>59</sup>

In the expedited third five-year reviews, the Embassy of Chile provided a letter to the Commission stating that the company involved in the original investigations, Nature's Farm, went bankrupt in 2001. Its assets were sold to Inversiones Bosques del Mauco SA ("Inversiones Bosques"), the only current producer and exporter of preserved mushrooms in Chile during 2014. The Embassy of Chile further stated that Inversiones Bosques has never exported preserved mushrooms to the United States.<sup>60</sup>

In these current reviews, the Embassy of Chile provided a letter to the Commission on September 30, 2020, that included certain information concerning Chilean producer/exporter Inversiones Bosques.<sup>61</sup> The domestic interested parties believe that Inversiones Bosques is the primary producer and exporter of preserved mushrooms in Chile, with the capacity to produce and package 2 million pounds of preserved mushrooms per month and facilities with a capacity for 30,000 meters squared of monthly cultivation.<sup>62</sup>

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<sup>57</sup> Original Chile publication, p. VII-1.

<sup>58</sup> First review publication, p. IV-4.

<sup>59</sup> Preserved Mushrooms from Chile, China, India, and Indonesia, Investigation Nos. 731-TA-776-779 (Review), USITC Publication 4135, April 2010 ("Second review publication"), p. I-22.

<sup>60</sup> Third review publication, p. I-18.

<sup>61</sup> Letter from Matias Pinto, Head of the Economic Department at the Embassy of Chile, September 30, 2020.

<sup>62</sup> Domestic interested parties' response to the notice of institution, September 2, 2020, p. 8.

Table I-5 presents export data for preserved mushrooms other than by vinegar or acetic acid, a category that includes preserved mushrooms of the genus *Agaricus* and out-of-scope products, from Chile (by export destination in descending order of quantity for 2019).

**Table I-5**  
**Preserved mushrooms: Exports from Chile, by destination, 2015-19**

Export destination	Calendar year				
	2015	2016	2017	2018	2019
<b>Quantity (1,000 pounds)</b>					
Haiti	--	--	--	86	86
China	3,828	--	7,654	6,770	--
France	--	--	83	--	--
British Territory in Central America	--	23	--	--	--
Venezuela	8,225	--	--	--	--
Total	12,053	23	7,737	6,856	86

Note: Because of rounding, figures may not add to totals shown.

Note: Quantities shown as "0" represent values greater than zero, but less than "0.5". Quantities, values, and unit values shown as "--" denote zero.

Source: Global Trade Information Services, Inc., Global Trade Atlas, HTS subheading 2003.10., accessed October 1, 2020. These data may be overstated as HTS subheading 2003.10 may contain products outside the scope of these reviews (e.g., preserved specialty mushrooms).

## The industry in China

During the final phase of the original investigations, the Commission received foreign producer/exporter questionnaires from 12 firms, which accounted for 93.7 percent of imports from China during 1997 as reported in official statistics.<sup>63</sup>

During the full first five-year reviews, the Commission requested data from 12 known producers of preserved mushrooms in China, however none provided the Commission with a questionnaire response.<sup>64</sup>

Although the Commission did not receive responses from any respondent interested parties in its expedited second five-year reviews, the domestic interested parties identified 133 potential producers of preserved mushrooms in China in that proceeding.<sup>65</sup> Although the Commission did not receive responses from any respondent interested parties in its expedited third five-year reviews, the domestic interested parties provided information on 10 producers/exporters of preserved mushrooms in China in that proceeding.<sup>66</sup>

In these current five-year reviews, the Commission did not receive responses from any respondent interested parties, however the domestic interested parties provided a list of nine possible producers/exporters of preserved mushrooms in China.<sup>67</sup>

Table I-6 presents export data for preserved mushrooms other than by vinegar or acetic acid, a category that includes preserved mushrooms of the genus *Agaricus* and out-of-scope products, from China (by export destination in descending order of quantity for 2019).

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<sup>63</sup> Original 3 country publication, p. VII-1.

<sup>64</sup> First review publication, p. IV-5.

<sup>65</sup> Second review publication, p. I-23.

<sup>66</sup> Third review publication, pp. I-20-21.

<sup>67</sup> Domestic interested parties' response to the notice of institution, September 2, 2020, pp. 9-10.



**Table I-6**  
**Preserved mushrooms: Exports from China, by destination, 2015-19**

Export destination	Calendar year				
	2015	2016	2017	2018	2019
<b>Quantity (1,000 pounds)</b>					
Russia	75,519	78,740	68,443	70,769	74,574
Malaysia	44,451	40,495	39,767	41,806	39,978
Philippines	30,195	28,966	32,253	38,890	36,866
Japan	33,793	29,440	29,022	26,800	24,493
Canada	24,519	23,229	23,801	22,055	22,918
Algeria	13,756	12,096	9,093	4,494	13,455
Korea	19,237	21,020	19,939	17,554	13,193
Lebanon	12,879	10,804	13,484	13,679	10,355
Chile	7,389	9,856	10,258	9,715	9,586
Hong Kong	13,231	16,775	10,388	11,058	9,462
All other	210,040	204,194	195,456	200,846	180,421
Total	485,008	475,614	451,904	457,666	435,301

Note: Because of rounding, figures may not add to totals shown.

Source: Global Trade Information Services, Inc., Global Trade Atlas, HTS subheading 2003.10., accessed October 1, 2020. These data may be overstated as HTS subheading 2003.10 may contain products outside the scope of these reviews (e.g., preserved specialty mushrooms).

## The industry in India

During the final phase of the original investigations, the Commission received foreign producer/exporter questionnaires from two firms, which accounted for \*\*\* percent of total capacity of preserved mushrooms in India during 1997, and accounted for \*\*\* percent of total U.S. imports of preserved mushrooms from India during 1997.<sup>68</sup>

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<sup>68</sup> Original 3 country confidential report, p. VII-2.

During the full first five-year reviews, the Commission received foreign producer/exporter questionnaires from two firms, which accounted for approximately \*\*\* percent of production of preserved mushrooms in India during 2003.<sup>69</sup>

The Commission did not receive responses from any respondent interested parties in its expedited second or third five-year reviews. The domestic interested parties provided a list of 13 possible producers of preserved mushrooms in India in the second reviews and a list of 5 possible producers in the third reviews.<sup>70</sup>

Although the Commission did not receive responses from any respondent interested parties in these fourth five-year reviews, the domestic interested parties provided a list of five possible producers of preserved mushrooms in India.<sup>71</sup>

Table I-7 presents export data for preserved mushrooms other than by vinegar or acetic acid, a category that includes preserved mushrooms of the genus *Agaricus* and out-of-scope products, from India (by export destination in descending order of quantity for 2019).

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<sup>69</sup> First review confidential report, pp. IV-9-10.

<sup>70</sup> Second review publication, p. I-25; Third review publication, pp. I-23-24.

<sup>71</sup> The domestic interested parties state that Agro Dutch Industries Limited is the largest integrated mushroom growing and canning company in India, and accounts for an estimated 25 percent of U.S. imports of canned mushrooms. Domestic interested parties' response to the notice of institution, September 2, 2020, pp. 10-11.

**Table I-7****Preserved mushrooms: Exports from India, by destination, 2015-19**

Export destination	Calendar year				
	2015	2016	2017	2018	2019
<b>Quantity (1,000 pounds)</b>					
Guyana	--	--	--	--	0
Austria	0	--	--	--	--
Belgium	--	0	--	--	--
Bulgaria	--	0	--	--	--
Canada	--	--	35	--	--
China	10	5	--	--	--
France	68	53	26	--	--
Germany	9	8	8	--	--
Hong Kong	2	2	1	--	--
Japan	0	--	1	--	--
All other	40	51	24	22	--
Total	129	118	94	22	0

Note: Because of rounding, figures may not add to totals shown.

Note: Quantities shown as "0" represent values greater than zero, but less than "0.5". Quantities, values, and unit values shown as "--" denote zero.

Source: Global Trade Information Services, Inc., Global Trade Atlas, HTS subheading 2003.10., accessed October 1, 2020. These data may be overstated as HTS subheading 2003.10 may contain products outside the scope of these reviews (e.g., preserved specialty mushrooms).

## The industry in Indonesia

During the final phase of the original investigations, the Commission received foreign producer/exporter questionnaires from four firms, which accounted for all known production of preserved mushrooms in Indonesia during 1997.<sup>72</sup>

During the full first five-year reviews, the Commission received foreign producer/exporter questionnaires from five firms, which accounted for the majority of production of preserved mushrooms in Indonesia during 2003.<sup>73</sup>

<sup>72</sup> Original 3 country publication, p. VII-2.

<sup>73</sup> First review publication, p. IV-8.

The Commission did not receive responses from any respondent interested parties in its expedited second or third five-year reviews. The domestic interested parties provided a list of seven possible producers of preserved mushrooms in Indonesia in the second reviews and a list of five possible producers in the third reviews.<sup>74</sup>

Although the Commission did not receive responses from any respondent interested parties in these fourth five-year reviews, the domestic interested parties provided a list of four possible producers of preserved mushrooms in Indonesia.<sup>75</sup>

Table I-8 presents export data for preserved mushrooms other than by vinegar or acetic acid, a category that includes preserved mushrooms of the genus *Agaricus* and out-of-scope products, from Indonesia (by export destination in descending order of quantity for 2019).

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<sup>74</sup> Second review publication, p. I-27; Third review publication, p. I-25.

<sup>75</sup> Domestic interested parties' response to the notice of institution, September 2, 2020, p. 11.

**Table I-8**  
**Preserved mushrooms: Exports from Indonesia, by destination, 2015-19**

Export destination	Calendar year				
	2015	2016	2017	2018	2019
<b>Quantity (1,000 pounds)</b>					
Japan	559	412	873	1,202	1,059
United States	11,056	7,810	2,720	2,593	851
Saudi Arabia	563	755	845	1,277	680
United Arab Emirates	432	434	484	538	542
Kuwait	344	398	564	440	474
Bahrain	269	216	296	230	344
Qatar	354	354	108	--	96
Oman	--	50	45	240	76
Vietnam	--	--	--	5	28
Bangladesh	--	--	--	--	1
All other	24	42	24	35	--
Total	13,600	10,470	5,959	6,560	4,151

Note: Because of rounding, figures may not add to totals shown.

Note: Quantities shown as "0" represent values greater than zero, but less than "0.5". Quantities, values, and unit values shown as "--" denote zero.

Source: Global Trade Information Services, Inc., Global Trade Atlas, HTS subheading 2003.10., accessed October 1, 2020. These data may be overstated as HTS subheading 2003.10 may contain products outside the scope of these reviews (e.g., preserved specialty mushrooms).

## Third-country trade actions

Imports of preserved mushrooms into the European Union (“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 0711.51.00, and 23 percent for HTS subheading 2003.10.20, and statistical reporting number 2003.10.3069. The administering authority in Australia imposed an antidumping duty order on imports of preserved mushrooms from China in January 2006, which was removed on May 4, 2015.<sup>76</sup> The administering authority in Mexico imposed an antidumping duty order on imports of preserved mushrooms from Chile and China in May 2006.<sup>77</sup> These orders were continued for both countries on May 18, 2011.<sup>78</sup> In May 2016, Mexico continued the antidumping order on China at a rate of 0.6121 USD or 1.1891 USD per kg, and removed the order on Chile.<sup>79</sup>

## The global market

Since 2015, the United States has become an important destination for processed mushrooms, including canned, for European suppliers as they contend with oversupply and overcapacity due to declining demand for these products, particularly in Germany.<sup>80</sup> In fact, U.S. imports of preserved mushrooms into the United States from Europe during this period

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<sup>76</sup> Revocation Review of Anti-Dumping Measures: Preserved Mushrooms Exported from the People’s Republic of China, Australian Government Anti-Dumping Commission, Report No. 288, November 23, 2015, p. 15.

<sup>77</sup> Second review confidential report, p. I-36.

<sup>78</sup> Final resolution of the review of the countervailing duties imposed on imports of mushrooms of the genus *Agaricus* originating from the People's Republic of China and the Republic of Chile, Secretary of Economy, United Mexican States; DOF, October 25, 2012, <http://sidof.segob.gob.mx/notas/5275069>

<sup>79</sup> WTO Semi-Annual Report under Article 16.4 of the Agreement. G/ADP/N/335/MEX, March 16, 2020; Domestic Interested Parties’ Response to the Notice of Institution, September 2, 2020, p. 12; and Resolution declaring the beginning of the examination of the validity of the countervailing duties imposed on imports of mushrooms of the genus *Agaricus* originating in the People's Republic of China and the Republic of Chile, regardless of the country of origin, SECRETARY OF ECONOMY, United States Mexicans; DOF, May 16, 2016, {cited on 09-29-2020}, <http://sidof.segob.gob.mx/notas/5437264>.

<sup>80</sup> Nanni, C. “Exports to the US helped EU mushroom market,” IHS Markit, January 18, 2019.

increased as U.S. imports from China declined. Despite reports of overcapacity in Europe, in February 2018, D’Amico, an Italian vegetable processing company, added a new production line for canned mushrooms that are sold in glass jars for retail.<sup>81</sup>

Table I-9 presents global export data for preserved mushrooms other than by vinegar or acetic acid, a category that includes preserved mushrooms of the genus *Agaricus* and out-of-scope products by source in descending order of quantity for 2019.

**Table I-9**  
**Preserved mushrooms: Global exports by major sources, 2015-19**

Exporter	2015	2016	2017	2018	2019
	<b>Quantity (1,000 pounds)</b>				
China	485,008	475,614	451,904	457,666	435,301
Netherlands	249,455	252,442	294,550	320,082	284,524
Belgium	3,269	3,393	31,138	161,202	149,885
Poland	115,064	139,740	128,174	144,497	137,888
Spain	84,746	86,110	77,589	84,519	97,638
Philippines	-	-	402	-	38,039
France	29,784	24,833	19,354	27,611	25,468
Germany	7,013	9,096	12,174	11,316	6,753
Indonesia	13,600	10,470	5,959	6,560	4,151
Hungary	2,665	4,284	8,051	6,698	3,117
All other	36,753	29,939	27,097	23,003	18,105
Total	1,027,358	1,035,920	1,056,394	1,243,153	1,200,870

Note: Because of rounding, figures may not add to total shown.

Source: Global Trade Information Services, Inc., Global Trade Atlas, HTS subheading 2003.10., accessed October 1, 2020. These data may be overstated as HTS subheading 2003.10 may contain products outside the scope of these reviews (e.g., preserved specialty mushrooms).

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<sup>81</sup> Cuesta, E. “D’Amico launches canned Portobello mushroom,” IHS Markit, February 1, 2018.





**APPENDIX A**

***FEDERAL REGISTER NOTICES***



The Commission makes available notices relevant to its investigations and reviews on its website, [www.usitc.gov](http://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
85 FR 46725, August 3, 2020	<i>Certain Preserved Mushrooms from Chile, China, India, and Indonesia; Institution of Five-Year Reviews</i>	<a href="https://www.govinfo.gov/content/pkg/FR-2020-08-03/pdf/2020-16743.pdf">https://www.govinfo.gov/content/pkg/FR-2020-08-03/pdf/2020-16743.pdf</a>
85 FR 47185, August 4, 2020	<i>Initiation of Five-Year Sunset Reviews</i>	<a href="https://www.govinfo.gov/content/pkg/FR-2020-08-04/pdf/2020-16879.pdf">https://www.govinfo.gov/content/pkg/FR-2020-08-04/pdf/2020-16879.pdf</a>



**APPENDIX B**  
**COMPANY-SPECIFIC DATA**



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**APPENDIX C**

**SUMMARY DATA COMPILED IN PRIOR PROCEEDINGS**



Table C-1

Certain preserved mushrooms: Summary data concerning the U.S. market, 1995-97, Jan.-June 1997, and Jan.-June 1998

(Quantity=1,000 pounds, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per pound; period changes=percent, except where noted)

Item	Reported data					Period changes			
	1995	1996	1997	Jan.-June		1995-97	1995-96	1996-97	Jan.-June 1997-98
				1997	1998				
<b>U.S. consumption quantity:</b>									
Amount	240,054	217,744	204,511	107,237	111,073	-14.8	-9.3	-6.1	3.6
Producers' share (1)	39.7	42.2	36.5	34.7	31.6	-3.2	2.5	-5.7	-3.2
Importers' share: (1)									
China	27.9	31.0	32.9	34.7	41.2	5.0	3.1	1.9	6.5
Hong Kong	3.6	2.4	1.9	3.0	1.3	-1.7	-1.2	-0.5	-1.6
Subtotal	31.5	33.4	34.8	37.7	42.5	3.3	1.9	1.4	4.8
Chile	4.4	3.3	2.7	3.1	3.8	-1.8	-1.2	-0.6	0.7
India	2.5	2.0	4.9	3.4	4.4	2.4	-0.5	2.9	1.0
Indonesia	12.8	12.4	15.5	15.7	10.8	2.7	-0.5	3.2	-4.9
Subtotal (subject)	51.2	51.0	57.8	59.8	61.5	6.6	-0.2	6.8	1.7
Other sources	9.1	6.8	5.7	5.5	7.0	-3.4	-2.3	-1.1	1.5
Total imports	60.3	57.8	63.5	65.3	68.4	3.2	-2.5	5.7	3.2
<b>U.S. consumption value:</b>									
Amount	327,443	256,520	218,016	113,692	110,410	-33.4	-21.7	-15.0	-2.9
Producers' share (1)	43.4	47.2	41.4	40.1	38.0	-2.0	3.8	-5.8	-2.1
Importers' share: (1)									
China	23.5	24.6	25.5	27.1	31.9	2.0	1.0	1.0	4.8
Hong Kong	3.2	1.8	1.2	1.8	0.9	-2.0	-1.4	-0.6	-0.9
Subtotal	26.7	26.3	26.8	28.9	32.8	(2)	-0.4	0.4	3.9
Chile	3.6	3.1	2.9	3.4	4.4	-0.7	-0.4	-0.2	1.1
India	2.5	2.1	4.6	3.2	4.3	2.2	-0.4	2.5	1.1
Indonesia	14.6	13.7	17.1	17.7	11.5	2.5	-0.8	3.4	-6.2
Subtotal (subject)	47.3	45.3	51.3	53.2	53.0	4.0	-2.0	6.0	-0.2
Other sources	9.3	7.5	7.3	6.8	9.0	-2.0	-1.8	-0.3	2.2
Total imports	56.6	52.8	58.6	59.9	62.0	2.0	-3.8	5.8	2.1
<b>U.S. imports from--</b>									
<b>China:</b>									
Quantity	66,923	67,491	67,209	37,204	45,717	0.4	-0.8	-0.4	22.9
Value	77,071	63,038	55,701	30,769	35,215	-27.7	-18.2	-11.6	14.4
Unit value	\$1.15	\$0.93	\$0.83	\$0.83	\$0.77	-28.0	-18.9	-11.3	-6.9
Ending inventory quantity	***	***	***	***	***	***	***	***	***
<b>Hong Kong: (3)</b>									
Quantity	8,664	5,262	3,901	3,172	1,455	-55.0	-39.3	-25.9	-54.1
Value	10,508	4,532	2,620	2,097	993	-75.1	-56.9	-42.2	-52.6
Unit value	\$1.21	\$0.86	\$0.67	\$0.66	\$0.68	-44.6	-29.0	-22.0	3.3
<b>Subtotal:</b>									
Quantity	75,587	72,753	71,109	40,376	47,172	-5.9	-3.7	-2.3	16.8
Value	87,580	67,570	58,321	32,866	36,208	-33.4	-22.8	-13.7	10.2
Unit value	\$1.16	\$0.93	\$0.82	\$0.81	\$0.77	-29.2	-19.8	-11.7	-5.7
<b>Chile:</b>									
Quantity	10,660	7,101	5,429	3,296	4,219	-49.1	-33.4	-23.5	28.0
Value	11,661	7,990	6,252	3,814	4,890	-46.4	-31.5	-21.7	28.2
Unit value	\$1.09	\$1.13	\$1.15	\$1.16	\$1.16	5.3	2.9	2.3	0.2
Ending inventory quantity	***	***	***	***	***	***	***	***	***
<b>India:</b>									
Quantity	5,951	4,368	9,949	3,606	4,850	67.2	-26.6	127.8	34.5
Value	8,065	5,400	10,069	3,672	4,771	24.8	-33.0	86.5	29.9
Unit value	\$1.36	\$1.24	\$1.01	\$1.02	\$0.98	-25.3	-8.8	-18.1	-3.4
Ending inventory quantity	***	***	***	***	***	***	***	***	***
<b>Indonesia:</b>									
Quantity	30,756	26,893	31,791	16,854	12,019	3.4	-12.6	18.2	-28.7
Value	47,648	35,197	37,269	20,102	12,673	-21.8	-26.1	5.9	-37.0
Unit value	\$1.55	\$1.31	\$1.17	\$1.19	\$1.05	-24.3	-15.5	-10.4	-11.6
Ending inventory quantity	***	***	***	***	***	***	***	***	***
<b>Subtotal (subject):</b>									
Quantity	122,953	111,115	118,279	64,131	68,260	-3.8	-9.6	6.4	6.4
Value	154,954	116,157	111,911	60,454	58,542	-27.8	-25.0	-3.7	-3.2
Unit value	\$1.26	\$1.05	\$0.95	\$0.94	\$0.86	-24.9	-17.1	-9.5	-9.0
Ending inventory quantity	***	***	***	***	***	***	***	***	***

Table continued on next page.

Table C-1--Continued

Certain preserved mushrooms: Summary data concerning the U.S. market, 1995-97, Jan.-June 1997, and Jan.-June 1998

(Quantity=1,000 pounds, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per pound; period changes=percent, except where noted)

Item	Reported data					Period changes			
	1995	1996	1997	Jan.-June		1995-97	1995-96	1996-97	Jan.-June 1997-98
				1997	1998				
U.S. imports from--									
Other sources:									
Quantity .....	21,826	14,763	11,590	5,881	7,766	-46.9	-32.4	-21.5	32.0
Value .....	30,476	19,279	15,826	7,677	9,898	-48.1	-36.7	-17.9	28.9
Unit value .....	\$1.40	\$1.31	\$1.37	\$1.31	\$1.27	-2.2	-6.5	4.6	-2.4
Ending inventory quantity .....	***	***	***	***	***	***	***	***	***
All sources:									
Quantity .....	144,780	125,879	129,869	70,012	76,026	-10.3	-13.1	3.2	8.6
Value .....	185,430	135,436	127,737	68,131	68,440	-31.1	-27.0	-5.7	0.5
Unit value .....	\$1.28	\$1.08	\$0.98	\$0.97	\$0.90	-23.2	-16.0	-8.6	-7.5
Ending inventory quantity .....	35,057	25,539	30,129	32,403	32,536	-14.1	-27.2	18.0	0.4
U.S. producers:									
Average capacity quantity .....	214,973	223,735	203,523	109,566	80,641	-3.3	4.1	-9.0	-26.4
Production quantity .....	107,711	84,936	74,711	46,847	42,425	-30.6	-21.1	-12.0	-9.4
Capacity utilization (1) .....	50.1	38.0	36.7	42.8	52.6	-13.4	-12.1	-1.3	9.9
U.S. shipments:									
Quantity .....	95,274	91,865	74,642	37,225	35,047	-21.7	-3.6	-18.7	-5.9
Value .....	142,013	121,084	90,279	45,561	41,970	-36.4	-14.7	-25.4	-7.9
Unit value .....	\$1.49	\$1.32	\$1.21	\$1.22	\$1.20	-18.9	-11.6	-8.2	-2.2
Export shipments:									
Quantity .....	850	1,214	1,409	810	480	65.8	42.8	16.1	-40.7
Value .....	1,307	1,766	1,977	1,156	643	51.3	35.1	11.9	-44.4
Unit value .....	\$1.54	\$1.45	\$1.40	\$1.43	\$1.34	-8.7	-5.4	-3.5	-6.1
Ending inventory quantity .....	24,212	16,061	14,495	26,613	21,505	-40.1	-33.7	-9.8	-17.7
Inventories/total shipments (1) .....	25.2	17.3	19.1	35.0	30.8	-6.1	-7.9	1.8	-4.2
Production workers .....	518	476	421	450	357	-18.7	-8.1	-11.6	-20.7
Hours worked (1,000s) .....	1,113	978	804	470	417	-27.8	-12.1	-17.8	-11.3
Wages paid (\$1,000s) .....	12,672	10,776	10,525	6,051	5,075	-16.9	-15.0	-2.3	-16.1
Hourly wages .....	\$11.39	\$11.02	\$13.09	\$12.87	\$12.17	15.0	-3.2	18.8	-5.5
Productivity (pounds per hour) .....	96.8	86.8	92.9	99.7	101.7	-4.0	-10.3	7.0	2.1
Unit labor costs .....	\$0.12	\$0.13	\$0.14	\$0.13	\$0.12	19.7	7.8	11.0	-7.4
Net sales:									
Quantity .....	90,840	90,551	76,052	36,963	33,806	-16.3	-0.3	-16.0	-8.5
Value .....	142,110	122,323	94,012	45,607	40,884	-33.8	-13.9	-23.1	-10.4
Unit value .....	\$1.56	\$1.35	\$1.24	\$1.23	\$1.21	-21.0	-13.6	-8.5	-2.0
Cost of goods sold (COGS) .....	121,721	105,728	81,957	37,809	35,506	-32.7	-13.1	-22.5	-6.1
Gross profit or (loss) .....	20,389	16,595	12,055	7,798	5,378	-40.9	-18.6	-27.4	-31.0
SG&A expenses .....	12,868	12,067	10,815	5,184	4,318	-16.0	-6.2	-10.4	-16.7
Operating income or (loss) .....	7,521	4,528	1,240	2,614	1,060	-83.5	-39.8	-72.6	-59.4
Capital expenditures .....	3,076	761	1,023	410	741	-66.7	-75.3	34.4	80.7
Unit COGS .....	\$1.34	\$1.17	\$1.08	\$1.02	\$1.05	-19.6	-12.9	-7.7	2.7
Unit SG&A expenses .....	\$0.14	\$0.13	\$0.14	\$0.14	\$0.13	0.4	-5.9	6.7	-8.9
Unit operating income or (loss) .....	\$0.08	\$0.05	\$0.02	\$0.07	\$0.03	-80.3	-39.6	-67.4	-55.7
COGS/sales (1) .....	85.7	86.4	87.2	82.9	86.8	1.5	0.8	0.7	3.9
Operating income or (loss)/ sales (1) .....	5.3	3.7	1.3	5.7	2.6	-4.0	-1.6	-2.4	-3.1

(1) "Reported data" are in percent and "period changes" are in percentage points.

(2) Increase of less than 0.05 percentage point.

(3) Ending inventory not available for Hong Kong.

(4) Decrease of less than 0.05 percent.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar-year basis.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission and from official statistics of the U.S. Department of Commerce.

**Table C-1**  
**Certain preserved mushrooms: Summary data concerning the U.S. market, 1998-2003**

(Quantity=1,000 pounds drained weight, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per pound, period changes=percent, except where noted)

Item	Reported data						Period changes					
	1998	1999	2000	2001	2002	2003	1998-2003	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003
<b>U.S. consumption quantity:</b>												
Amount	181,796	180,627	198,689	175,264	173,167	187,903	3.4	-0.6	10.0	-11.8	-1.2	8.6
Producers' share (1)	36.4	40.7	31.1	32.3	33.8	25.4	-11.0	4.3	-9.6	1.2	1.6	-8.4
Importers' share (1):												
Chile	3.6	0.0	0.0	0.0	0.0	0.0	-3.6	-3.6	0.0	0.0	0.0	0.0
China	26.4	0.2	4.2	11.0	11.9	25.6	-0.8	-26.3	4.0	6.9	0.8	13.7
India	6.9	17.7	17.3	16.8	13.8	14.4	7.5	10.8	-0.4	-0.5	-3.0	0.6
Indonesia (subject)	14.7	16.1	14.6	12.8	***	***	***	1.4	-1.5	-1.8	***	***
Subtotal	51.8	34.0	36.1	40.7	***	***	***	-17.6	2.1	4.5	***	***
Indonesia (nonsubject)	(2)	(2)	(2)	(2)	***	***	***	0.0	0.0	0.0	***	***
Other sources	12.0	25.3	32.8	27.1	27.5	22.8	10.8	13.3	7.5	-5.7	0.4	-4.7
Total imports	63.6	59.3	68.9	67.7	66.2	74.6	11.0	-4.3	9.6	-1.2	-1.6	8.4
<b>U.S. consumption value:</b>												
Amount	197,702	218,079	228,216	191,659	176,802	187,329	-5.2	10.3	4.6	-16.0	-7.8	6.0
Producers' share (1)	41.9	45.5	35.7	36.0	38.2	29.7	-12.2	3.6	-9.9	0.3	2.2	-8.5
Importers' share (1):												
Chile	3.9	0.0	0.0	0.0	0.0	0.0	-3.9	-3.9	0.0	0.0	0.0	0.0
China	19.0	0.2	3.3	10.0	11.0	23.1	4.2	-18.8	3.1	6.6	1.1	12.1
India	6.6	12.8	14.5	14.3	11.9	11.7	5.2	6.2	1.7	-0.2	-2.4	-0.2
Indonesia (subject)	15.4	18.0	16.9	15.0	***	***	***	2.6	-1.2	-1.8	***	***
Subtotal	44.9	31.0	34.7	39.3	***	***	***	-13.8	3.7	4.6	***	***
Indonesia (nonsubject)	(2)	(2)	(2)	(2)	***	***	***	0.0	0.0	0.0	***	***
Other sources	13.2	23.5	29.6	24.6	24.9	21.3	8.0	10.2	6.2	-5.0	0.2	-3.6
Total imports	58.1	54.5	64.3	64.0	61.8	70.3	12.2	-3.6	9.9	-0.3	-2.2	8.5
<b>U.S. imports from:</b>												
<b>Chile:</b>												
Quantity	6,516	0	0	0	0	0	-100.0	-100.0	(3)	(3)	(3)	(3)
Value	7,683	0	0	0	0	0	-100.0	-100.0	(3)	(3)	(3)	(3)
Unit value	\$1.18	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Ending inventory quantity	0	0	0	0	0	0	(3)	(3)	(3)	(3)	(3)	(3)
<b>China:</b>												
Quantity	48,046	320	8,330	19,364	20,594	48,139	0.2	-99.3	2,503.4	132.5	6.4	133.7
Value	37,520	433	7,617	19,117	19,516	43,339	15.5	-98.8	1,657.5	151.0	2.1	122.1
Unit value	\$0.78	\$1.35	\$0.91	\$0.99	\$0.95	\$0.90	15.3	73.4	-32.5	8.0	-4.0	-5.0
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***
<b>India:</b>												
Quantity	12,559	32,023	34,439	29,479	23,885	27,010	115.1	155.0	7.5	-14.4	-19.0	13.1
Value	13,022	27,873	33,057	27,442	21,051	21,997	68.9	114.0	18.6	-17.0	-23.3	4.5
Unit value	\$1.04	\$0.87	\$0.96	\$0.93	\$0.88	\$0.81	-21.5	-16.1	10.3	-3.0	-5.3	-7.6
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***
<b>Indonesia (subject):</b>												
Quantity	26,666	29,096	29,043	22,417	***	***	***	9.1	-0.2	-22.8	***	***
Value	30,459	39,321	38,493	28,830	***	***	***	29.1	-2.1	-25.1	***	***
Unit value	\$1.14	\$1.35	\$1.33	\$1.29	***	***	***	18.3	-1.9	-3.0	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***
<b>Subtotal:</b>												
Quantity	93,786	61,439	71,812	71,259	***	***	***	-34.5	16.9	-0.8	***	***
Value	88,685	67,628	79,167	75,389	***	***	***	-23.7	17.1	-4.8	***	***
Unit value	\$0.95	\$1.10	\$1.10	\$1.06	***	***	***	16.4	0.2	-4.0	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***
<b>Indonesia (nonsubject):</b>												
Quantity	(2)	(2)	(2)	(2)	***	***	***	(3)	(3)	(3)	***	***
Value	(2)	(2)	(2)	(2)	***	***	***	(3)	(3)	(3)	***	***
Unit value	(2)	(2)	(2)	(2)	***	***	***	(3)	(3)	(3)	***	***
Ending inventory quantity	(2)	(2)	(2)	(2)	***	***	***	(3)	(3)	(3)	***	***
<b>Other sources:</b>												
Quantity	21,814	45,663	65,136	47,462	47,549	42,838	96.4	109.3	42.6	-27.1	0.2	-9.9
Value	26,158	51,161	67,638	47,239	43,954	39,809	52.2	95.6	32.2	-30.2	-7.0	-9.4
Unit value	\$1.20	\$1.12	\$1.04	\$1.00	\$0.92	\$0.93	-22.5	-6.6	-7.3	-4.2	-7.1	0.5
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***
<b>All sources:</b>												
Quantity	115,800	107,102	136,948	118,721	114,615	140,216	21.3	-7.4	27.9	-13.3	-3.5	22.3
Value	114,843	118,789	146,805	122,628	109,220	131,607	14.6	3.4	23.6	-16.5	-10.9	20.5
Unit value	\$0.99	\$1.11	\$1.07	\$1.03	\$0.95	\$0.94	-5.5	11.6	-3.3	-3.6	-7.7	-1.5
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***

Table continued on next page.

Table C-1--Continued

## Certain preserved mushrooms: Summary data concerning the U.S. market, 1998-2003

(Quantity=1,000 pounds drained weight, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per pound, period changes=percent, except where noted)

Item	Reported data						Period changes					
	1998	1999	2000	2001	2002	2003	1998-2003	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003
U.S. producers:												
Average capacity quantity	280,405	285,300	287,728	271,155	270,042	200,044	-28.7	1.7	0.9	-5.8	-0.4	-25.9
Production quantity	66,186	67,849	68,932	53,316	50,733	50,161	-24.2	2.5	1.6	-22.7	-4.8	-1.1
Capacity utilization (1)	23.6	23.8	24.0	19.7	18.8	25.1	1.5	0.2	0.2	-4.3	-0.9	6.3
U.S. shipments:												
Quantity	66,196	73,525	61,741	56,543	58,552	47,687	-28.0	11.1	-16.0	-8.4	3.6	-18.6
Value	82,859	99,290	81,411	69,031	67,582	55,722	-32.8	19.8	-18.0	-15.2	-2.1	-17.5
Unit value	\$1.25	\$1.35	\$1.32	\$1.22	\$1.15	\$1.17	-8.6	7.9	-2.4	-7.4	-5.5	1.2
Export shipments:												
Quantity	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	14,578	8,902	16,090	12,860	4,841	7,313	-49.8	-38.9	80.7	-20.1	-62.4	51.1
Inventories/total shipments (1)	***	***	***	***	***	***	***	***	***	***	***	***
Production workers	330	321	328	270	290	266	-19.4	-2.7	2.2	-17.7	-3.7	2.3
Hours worked (1,000s)	435	433	502	430	402	380	-12.8	-0.5	15.9	-14.3	-6.5	-5.6
Wages paid (\$1,000s)	5,372	5,480	6,999	6,633	6,423	5,988	11.5	2.0	27.7	-5.2	-3.2	-6.8
Hourly wages	\$12.35	\$12.66	\$13.94	\$15.43	\$15.98	\$15.78	27.8	2.5	10.2	10.6	3.6	-1.2
Productivity (pounds per hour)	125.6	140.0	133.8	124.0	126.2	132.2	5.2	11.5	-4.4	-7.3	1.8	4.7
Unit labor costs	\$0.10	\$0.09	\$0.10	\$0.12	\$0.13	\$0.12	21.5	-8.0	15.3	19.4	1.8	-5.7
Net sales:												
Quantity	68,133	71,437	64,639	57,251	59,943	49,724	-27.0	4.8	-9.5	-11.4	4.7	-17.0
Value	81,714	98,393	87,008	70,610	69,463	58,139	-28.9	20.4	-11.6	-18.8	-1.6	-16.3
Unit value	\$1.20	\$1.38	\$1.35	\$1.23	\$1.16	\$1.17	-2.5	14.8	-2.3	-8.4	-6.0	0.9
Cost of goods sold (COGS)	74,270	89,167	76,808	64,611	66,246	55,543	-25.2	20.1	-13.9	-15.9	2.5	-16.2
Gross profit or (loss)	7,444	9,226	10,200	5,999	3,217	2,596	-65.1	23.9	10.6	-41.2	-46.4	-19.3
SG&A expenses	6,657	7,183	7,447	6,305	5,729	4,160	-37.7	7.9	3.7	-15.3	-9.1	-27.6
Operating income or (loss)	787	2,043	2,753	(306)	(2,512)	(1,554)	(4)	159.6	34.8	(4)	-720.9	38.1
Capital expenditures	1,215	1,235	1,539	1,353	907	2,706	122.7	1.6	24.6	-12.1	-33.0	198.3
Unit COGS	\$1.09	\$1.25	\$1.19	\$1.13	\$1.11	\$1.12	2.5	14.5	-4.8	-5.0	-2.1	1.1
Unit SG&A expenses	\$0.10	\$0.10	\$0.12	\$0.11	\$0.10	\$0.08	-14.6	2.9	14.6	-4.4	-13.2	-12.7
Unit operating income or (loss)	\$0.01	\$0.03	\$0.04	(\$0.01)	(\$0.04)	(\$0.03)	(4)	147.6	48.9	(4)	-684.0	25.4
COGS/sales (1)	90.9	90.6	88.3	91.5	95.4	95.5	4.6	-0.3	-2.3	3.2	3.9	0.2
Operating income or (loss)/sales (1)	1.0	2.1	3.2	(0.4)	(3.6)	(2.7)	-3.6	1.1	1.1	-3.6	-3.2	0.9

(1) "Reported data" are in percent and "period changes" are in percentage points.

(2) Imports from PT Zeta Agro are included in Indonesia (subject) for 1998-2001, and reported separately as Indonesia (nonsubject) for 2002 and 2003.

(3) Not applicable.

(4) Undefined.

Note.--Financial data are reported on a fiscal-year basis and may not necessarily be comparable to data reported on a calendar-year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.

**APPENDIX D**  
**PURCHASER QUESTIONNAIRE RESPONSES**





As part of their response to the notice of institution, interested parties were asked to provide a list of three to five leading purchasers in the U.S. market for the domestic like product. A response was received from domestic interested parties and it named the following three firms as the top purchasers of preserved mushrooms: \*\*\*. Purchaser questionnaires were sent to these three firms and two firms (\*\*\*) provided responses, which are presented below.

1. Have there been any significant changes in the supply and demand conditions for certain preserved mushrooms that have occurred in the United States or in the market for certain preserved mushrooms in Chile, China, India, and/or Indonesia since January 1, 2015?

<b>Purchaser</b>	<b>Yes / No</b>	<b>Changes that have occurred</b>
***	***	***
***	***	***

2. Do you anticipate any significant changes in the supply and demand conditions for certain preserved mushrooms in the United States or in the market for certain preserved mushrooms in Chile, China, India, and/or Indonesia within a reasonably foreseeable time?

<b>Purchaser</b>	<b>Yes / No</b>	<b>Changes that have occurred</b>
***	***	***
***	***	***

