

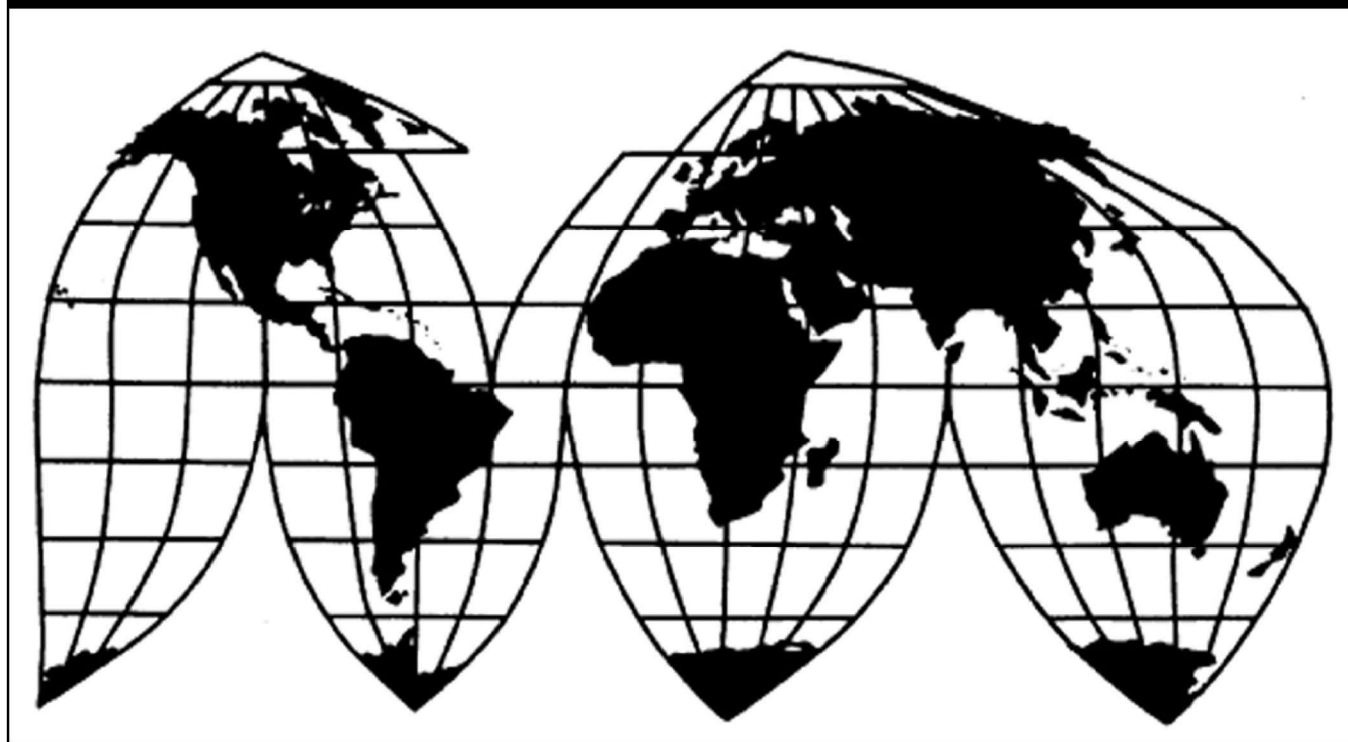
Certain Preserved Mushrooms from France, Netherlands, Poland, and Spain

Investigation Nos. 731-TA-1587-1590 (Preliminary)

Publication 5329

May 2022

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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Note.—Information that would reveal confidential operations of individual concerns may not be published. Such information is identified by brackets in confidential reports and is deleted and replaced with asterisks (***) in public reports.

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 731-TA-1587-1590 (Preliminary)

Certain Preserved Mushrooms from France, Netherlands, Poland, and Spain

DETERMINATIONS

On the basis of the record¹ developed in the subject investigations, the United States International Trade Commission (“Commission”) determines, pursuant to the Tariff Act of 1930 (“the Act”), that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of certain preserved mushrooms from France, Netherlands, Poland, and Spain, provided for in subheading 2003.10.01 of the Harmonized Tariff Schedule of the United States, that are alleged to be sold in the United States at less than fair value (“LTFV”).²

COMMENCEMENT OF FINAL PHASE INVESTIGATIONS

Pursuant to section 207.18 of the Commission’s rules, the Commission also gives notice of the commencement of the final phase of its investigations. The Commission will issue a final phase notice of scheduling, which will be published in the *Federal Register* as provided in section 207.21 of the Commission’s rules, upon notice from the U.S. Department of Commerce (“Commerce”) of affirmative preliminary determinations in the investigations under § 733(b) of the Act, or, if the preliminary determinations are negative, upon notice of affirmative final determinations in those investigations under § 735(a) of the Act. Parties that filed entries of appearance in the preliminary phase of the investigations need not enter a separate appearance for the final phase of the investigations. Industrial users, and, if the merchandise under investigation is sold at the retail level, representative consumer organizations have the right to appear as parties in Commission antidumping investigations. The Secretary will prepare a public service list containing the names and addresses of all persons, or their representatives, who are parties to the investigations.

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

² 87 FR 20460 (April 7, 2022).

BACKGROUND

On March 31, 2022, Giorgio Foods Inc., Blandon, Pennsylvania filed petitions with the Commission and Commerce, alleging that an industry in the United States is materially injured or threatened with material injury by reason of LTFV imports of certain preserved mushrooms from France, Netherlands, Poland, and Spain. Accordingly, effective March 31, 2022, the Commission instituted antidumping duty investigation Nos. 731-TA-1587-1590 (Preliminary).

Notice of the institution of the Commission's investigations and of a public conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* of April 7, 2022 (87 FR 20460). The Commission conducted its conference on April 21, 2022. All persons who requested the opportunity were permitted to participate.

Views of the Commission

Based on the record in the preliminary phase of these investigations, we determine that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of certain preserved mushrooms (“CPMs”) from France, the Netherlands, Poland, and Spain that are allegedly sold in the United States at less than fair value (“LTFV”).

I. The Legal Standard for Preliminary Determinations

The legal standard for preliminary antidumping and countervailing duty determinations requires the Commission to determine, based upon the information available at the time of the preliminary determinations, whether there is a reasonable indication that a domestic industry is materially injured or threatened with material injury, or that the establishment of an industry is materially retarded, by reason of the allegedly unfairly traded imports.¹ In applying this standard, the Commission weighs the evidence before it and determines whether “(1) the record as a whole contains clear and convincing evidence that there is no material injury or threat of such injury; and (2) no likelihood exists that contrary evidence will arise in a final investigation.”²

II. Background

These investigations resulted from petitions filed on March 31, 2022, alleging that an industry in the United States is materially injured and threatened with material injury by reason of less-than-fair-value (“LTFV”) imports of certain preserved mushrooms (“CPMs”) from France, the Netherlands, Poland, and Spain. The Petitioner is Giorgio Foods, Inc. (“Petitioner” or “Giorgio”), a domestic producer of CPMs. Representatives from the Petitioner appeared at the staff conference accompanied by counsel.³ Petitioner also submitted a postconference brief.

Three sets of respondents participated in these preliminary phase investigations by submitting postconference briefs.⁴

¹ 19 U.S.C. §§ 1671b(a), 1673b(a) (2000); see also *American Lamb Co. v. United States*, 785 F.2d 994, 1001-04 (Fed. Cir. 1986); *Aristech Chem. Corp. v. United States*, 20 CIT 353, 354-55 (1996). No party argues that the establishment of an industry in the United States is materially retarded by the allegedly unfairly traded imports.

² *American Lamb Co.*, 785 F.2d at 1001; see also *Texas Crushed Stone Co. v. United States*, 35 F.3d 1535, 1543 (Fed. Cir. 1994).

³ In light of the restrictions on access to the Commission building due to the COVID-19 pandemic, the Commission conducted its staff conference by videoconference and written witness testimony as set forth in procedures provided to the parties.

⁴ No respondents appeared at the staff conference.

- Acme Food Sales, Inc.; Camerican International; Hop Chong Trading Co., Inc.; National Food Trading Corp, Dba National Cortina; Rema Foods Inc.; Roland Foods, LLC; and Shafer-Haggart Ltd. (collectively, “Acme Respondents”), U.S. importers of subject merchandise;
- H-E-B Grocery Company LP (“HEB”), a U.S. purchaser of subject merchandise from the Netherlands; and
- Okechamp BV; Okechamp S.A.; Prochamp B.V.; and Eurochamp S.A.T., producers of subject merchandise in the Netherlands, Poland, and Spain (collectively, “Okechamp Respondents”).

The period of investigation (“POI”) is January 2019 through December 2021. U.S. industry data are based on the questionnaire response of one firm, Petitioner Giorgio, which accounted for *** percent of reported U.S. production of CPMs during 2021.⁵ U.S. import data are based on official Commerce import statistics and questionnaire responses from eight U.S. importers, representing *** percent of U.S. imports from France, *** percent of U.S. imports from the Netherlands, *** percent of U.S. imports from Poland, and *** percent of U.S. imports from Spain in 2021 under HTS statistical reporting numbers 2003.10.0127, 2003.10.0131, and 2003.10.0137.⁶ Foreign industry data and related information are based on the questionnaire responses from: one producer/exporter of CPMs in France accounting for approximately *** percent of production of CPMs in France in 2021 and *** percent U.S. imports of subject merchandise from France in 2021;⁷ two producers/exporters of CPMs in the Netherlands accounting for approximately *** percent of production of CPMs in the Netherlands in 2021 and approximately *** percent of U.S. imports of subject merchandise

⁵ Confidential Report, INV-UU-048 (May 9, 2022) (“CR”) at I-4 & Table III-1; Public Report, *Certain Preserved Mushrooms from France, Netherlands, Poland, and Spain*, Inv. Nos. 731-TA-1587-1590 (Preliminary), USITC Pub. 5329 (May 2022) (“PR”) at I-4 & Table III-1. The Commission issued U.S. producer questionnaires to five firms based on information contained in the petition. Only one domestic producer, Petitioner Giorgio, provided a complete questionnaire response with useable data. Sunny Dell Food LLC (“Sunny Dell”) submitted only a partial questionnaire response and no other firms submitted domestic producer questionnaires. CR/PR at III-1 & nn.1, 2. Three firms indicated that they ceased domestic production of in-scope CPMs either prior to or during the POI. In email correspondence with Commission staff dated April 25, 2022, The Mushroom Company stated that it ceased domestic production of in-scope CPMs approximately six years ago in order to concentrate on out-of-scope CPMs for industrial sale. CR/PR at III-1 n.2. In a letter dated April 27, 2022, Monterey Mushrooms indicated that it had ceased domestic production of in-scope CPMs in May 2019 by closing its facility in Missouri. CR/PR at III-1 n.3. In its partial U.S. producer questionnaire response, Sunny Dell reported domestic production of in-scope CPMs until 2021, although the company also indicated that it has since exited the business. CR/PR at III-1 n.1.

⁶ CR/PR at I-4 & IV-1.

⁷ CR/PR at VII-3.

from the Netherlands in 2021;⁸ two producers/exporters of CPMs in Poland accounting for approximately *** percent of production of CPMs in Poland in 2021 and approximately *** percent of U.S. imports of subject merchandise from Poland in 2021;⁹ and one producer/exporter of CPMs in Spain accounting for approximately *** percent of production of CPMs in Spain in 2021 and approximately *** percent of U.S. imports of subject merchandise from Spain in 2021.¹⁰

III. Domestic Like Product

In determining whether there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of imports of the subject merchandise, the Commission first defines the “domestic like product” and the “industry.”¹¹ Section 771(4)(A) of the Tariff Act of 1930, as amended (“the Tariff Act”), defines the relevant domestic industry as the “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.”¹² In turn, the Tariff Act defines “domestic like product” as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation.”¹³

By statute, the Commission’s “domestic like product” analysis begins with the “article subject to an investigation,” *i.e.*, the subject merchandise as determined by the U.S. Department of Commerce (“Commerce”).¹⁴ Therefore, Commerce’s determination as to the scope of the imported merchandise that is subsidized and/or sold at less than fair value is “necessarily the starting point of the Commission’s like product analysis.”¹⁵ The Commission then defines the domestic like product in light of the imported articles Commerce has identified.¹⁶ The decision regarding the appropriate domestic like product(s) in an investigation

⁸ CR/PR at VII-10.

⁹ CR/PR at VII-17.

¹⁰ CR/PR at VII-25.

¹¹ 19 U.S.C. § 1677(4)(A).

¹² 19 U.S.C. § 1677(4)(A).

¹³ 19 U.S.C. § 1677(10).

¹⁴ 19 U.S.C. § 1677(10). The Commission must accept Commerce’s determination as to the scope of the imported merchandise that is subsidized and/or sold at less than fair value. *See, e.g., USEC, Inc. v. United States*, 34 Fed. App’x 725, 730 (Fed. Cir. 2002) (“The ITC may not modify the class or kind of imported merchandise examined by Commerce.”); *Algoma Steel Corp. v. United States*, 688 F. Supp. 639, 644 (Ct. Int’l Trade 1988), *aff’d*, 865 F.3d 240 (Fed. Cir.), *cert. denied*, 492 U.S. 919 (1989).

¹⁵ *Cleo Inc. v. United States*, 501 F.3d 1291, 1298 (Fed. Cir. 2007); *see also Hitachi Metals, Ltd. v. United States*, 949 F.3d 710, 717 (Fed. Cir. 2020) (the statute requires the Commission to start with Commerce’s subject merchandise in reaching its own like product determination).

¹⁶ *Cleo*, 501 F.3d at 1298 n.1 (“Commerce’s {scope} finding does not control the Commission’s (Continued...)”).

is a factual determination, and the Commission has applied the statutory standard of “like” or “most similar in characteristics and uses” on a case-by-case basis.¹⁷ No single factor is dispositive, and the Commission may consider other factors it deems relevant based on the facts of a particular investigation.¹⁸ The Commission looks for clear dividing lines among possible like products and disregards minor variations.¹⁹ The Commission may, where appropriate, include domestic articles in the domestic like product in addition to those described in the scope.²⁰

A. Scope Definition

In its notice of initiation, Commerce defined the imported merchandise within the scope of the investigations as:

. . . certain preserved mushrooms, whether imported whole, sliced, diced, or as stems and pieces. The preserved mushrooms covered under these investigations are the genus *Agaricus*. “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 heat sterilized in containers each holding a net drained

{like product} determination.”); *Hosiden Corp. v. Advanced Display Mfrs.*, 85 F.3d 1561, 1568 (Fed. Cir. 1996) (the Commission may find a single like product corresponding to several different classes or kinds defined by Commerce); *Torrington Co. v. United States*, 747 F. Supp. 744, 748-52 (Ct. Int’l Trade 1990), *aff’d*, 938 F.2d 1278 (Fed. Cir. 1991) (affirming the Commission’s determination defining six like products in investigations where Commerce found five classes or kinds).

¹⁷ See, e.g., *Cleo Inc. v. United States*, 501 F.3d 1291, 1299 (Fed. Cir. 2007); *NEC Corp. v. Dep’t of Commerce*, 36 F. Supp. 2d 380, 383 (Ct. Int’l Trade 1998); *Nippon Steel Corp. v. United States*, 19 CIT 450, 455 (1995); *Torrington Co. v. United States*, 747 F. Supp. 744, 749 n.3 (Ct. Int’l Trade 1990), *aff’d*, 938 F.2d 1278 (Fed. Cir. 1991) (“every like product determination ‘must be made on the particular record at issue’ and the ‘unique facts of each case’”). The Commission generally considers a number of factors including the following: (1) physical characteristics and uses; (2) interchangeability; (3) channels of distribution; (4) customer and producer perceptions of the products; (5) common manufacturing facilities, production processes, and production employees; and, where appropriate, (6) price. See *Nippon*, 19 CIT at 455 n.4; *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int’l Trade 1996).

¹⁸ See, e.g., S. Rep. No. 96-249 at 90-91 (1979).

¹⁹ See, e.g., *Nippon*, 19 CIT at 455; *Torrington*, 747 F. Supp. at 748-49; see also S. Rep. No. 96-249 at 90-91 (Congress has indicated that the like product standard should not be interpreted in “such a narrow fashion as to permit minor differences in physical characteristics or uses to lead to the conclusion that the product and article are not ‘like’ each other, nor should the definition of ‘like product’ be interpreted in such a fashion as to prevent consideration of an industry adversely affected by the imports under consideration.”).

²⁰ See, e.g., *Pure Magnesium from China and Israel*, Inv. Nos. 701-TA-403 and 731-TA-895-96 (Final), USITC Pub. 3467 at 8 n.34 (Nov. 2001); *Torrington*, 747 F. Supp. at 748-49 (holding that the Commission is not legally required to limit the domestic like product to the product advocated by the petitioner, co-extensive with the scope).

weight of not more than 12 ounces (340.2 grams), 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.

Excluded from the scope are “marinated,” “acidified,” or “pickled” mushrooms, which are prepared or preserved by means of vinegar or acetic acid, but may contain oil or other additives. To be prepared or preserved by means of vinegar or acetic acid, the merchandise must be a minimum 0.5 percent by weight acetic acid.

The merchandise subject to these investigations is classifiable under subheadings 2003.10.0127, 2003.10.0131, and 2003.10.0137 of the Harmonized Tariff Schedule of the United States (HTSUS). The subject merchandise may also be classified under HTSUS subheadings 2003.10.0143, 2003.10.0147, and 2003.10.0153. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise under investigation is dispositive.²¹

CPMs are a type of processed mushroom product made from fresh mushrooms in the genus *Agaricus*.²² CPMs, typically white button but also brown crimini or portabella, are packed in cans or jars with water, brine, or butter and sterilized using high temperatures.²³ The mushrooms can be preserved whole, sliced, or as stems and pieces; the main form of CPMs in the U.S. market is stems and pieces.²⁴ CPMs are typically used as ingredients in various food products, including sauces, soups, pizzas, and gravies.²⁵ The scope of these investigations covers only CPMs in cans and jars containing not more than 340.2 grams or 12 ounces (oz); the most common sizes sold to retailers are 4 ounce and 8 ounce cans and 4.5 ounce and 6 ounce jars.²⁶ Jarred CPMs are generally a higher quality, premium product compared with canned CPMs.²⁷

²¹ *Certain Preserved Mushrooms from France, the Netherlands, Poland, and Spain: Initiation of Less-Than-Fair-Value Investigations*, 87 Fed. Reg. 24941, 24945 (Apr. 27, 2022).

²² CR/PR at I-7.

²³ CR/PR at I-7.

²⁴ CR/PR at I-7.

²⁵ CR/PR at I-7.

²⁶ CR/PR at I-6-8.

²⁷ CR/PR at I-8.

B. Parties' Arguments

Petitioner's Arguments. Petitioner argues that the Commission should define a single domestic like product consisting of all CPMs, coextensive with Commerce's scope in these preliminary phase investigations.²⁸ It contends that all domestically produced CPMs within the scope have similar physical characteristics and uses; similar channels of distribution; common manufacturing facilities, production processes, and employees; similar customer and producer perceptions; and are generally interchangeable and sold within a reasonable range of similar prices.²⁹ It maintains that clear lines divide in-scope domestically produced CPMs packaged for retail sale in containers less than 12 ounces from out-of-scope domestically produced CPMs packaged in larger-sized cans (*i.e.*, typically 62 ounce and 68 ounce cans) sold to industrial users.³⁰

Respondents' Arguments. Acme Respondents take no position concerning Petitioner's proposed domestic like product definition for purposes of these preliminary determinations.³¹ No other respondents addressed domestic like product.

C. Analysis

Based on the current record, we define a single domestic like product consisting of all CPMs coextensive with the scope for purposes of these preliminary phase investigations.

Physical Characteristics and Uses. All CPMs within the scope are produced from the same genus of fresh mushrooms (*viz. Agaricus*).³² All CPMs within the scope bear significant similarities in terms of physical characteristics, including flavor and shelf-life, notwithstanding some differences in shapes between the products (*i.e.*, whole, sliced, and stems and pieces).³³ In-scope CPMs are generally packaged for retail sale in 4 ounce and 8 ounce cans and 4.5 ounce and 6 ounce jars.³⁴ In-scope CPMs are used predominantly as ingredients in food products including soups, gravies, sauces, pizzas, and entrees.³⁵

²⁸ Petitioner's Postconf. Br. at 3.

²⁹ Petitioner's Postconf. Br. at 3-8.

³⁰ Petitioner's Postconf. Br. at 4-5 & Exh. 1, Answers to Staff Questions at 7-9. At the conference, counsel for Petitioner stated that there was domestic production of out-of-scope CPMs during the POI by two firms (L.K. Bowman and The Mushroom Company), but not by the Petitioner. Conf. Tr. at 49-50 (Hermann).

³¹ Acme Respondents' Postconf. Br. at 3.

³² Conf. Tr. at 47 (Hermann).

³³ Conf. Tr. at 47-48 (Loiseau).

³⁴ CR/PR at I-8.

³⁵ CR/PR at I-3.

As for out-of-scope products, Petitioner maintains that large, industrial packaged CPMs are typically in cans weighing 62 or 68 ounces.³⁶ According to Petitioner, out-of-scope CPMs in large-sized cans packaged for sale to industrial users also generally have less attractive labels than in-scope CPM products sold at retail.³⁷

In terms of physical characteristics and uses, Giorgio reported that out-of-scope large, industrial packaged CPMs were never comparable with in-scope CPMs.³⁸ Two out of four responding U.S. importers reported that they were somewhat or never comparable while the other two importers reported that they were mostly comparable.³⁹

Manufacturing Facilities, Production Processes, and Employees. According to Petitioner, all domestically produced CPMs within the scope are produced at the same facilities by the same employees using the same basic production processes on the same equipment.⁴⁰ At the conference, an industry witness appearing on behalf of Giorgio reported that it did not produce out-of-scope large, industrial packaged CPMs during the POI.⁴¹ According to Giorgio, it would need to install different equipment at significant costs that are not economically feasible in order to produce out-of-scope large, industrial packaged CPMs, including different depositors, steel can steamers, transport tracks, and retort cookers.⁴² There is also information in the current record indicating that during the POI there was domestic production of out-of-scope CPMs in larger-sized containers packaged for both retail and industrial use by firms other than Giorgio, but that none of these firms produced in-scope CPMs.⁴³

With respect to manufacturing facilities, production processes, and employees, Giorgio reported that out-of-scope large, industrial packaged CPMs were never comparable with in-scope CPMs within the scope.⁴⁴ Two out of three responding U.S. importers reported that they were somewhat or never comparable, while one importer reported that they were mostly comparable.⁴⁵

Channels of Distribution. During the POI, in-scope domestically produced CPMs were sold overwhelmingly to retailers (ranging from *** percent to *** percent), with the remainder

³⁶ Petitioner's Postconf. Br., Answers to Staff Questions, Exh. 1 at 7.

³⁷ Petitioner's Postconf. Br. at 5 & Answers to Staff Questions, Exh. 1 at 7.

³⁸ CR/PR at Appendix D, Table D-1.

³⁹ CR/PR at Appendix D, Table D-1.

⁴⁰ Petitioner's Postconf. Br. at 5-6; Conf. Tr. at 48 (Loiseau).

⁴¹ Conf. Tr. at 48 (Loiseau).

⁴² Petitioner's Postconf. Br. at 5-6 & Exh. 8, Para. 5 (Affidavit of Brian Loiseau); Conf. Tr. at 11 & 23-24 (Loiseau).

⁴³ CR/PR at I-7-8; Conf. Tr. at 11 (Loiseau) & 49-50 (Loiseau & Hermann).

⁴⁴ CR/PR at Appendix D, Table D-1.

⁴⁵ CR/PR at Appendix D, Table D-1.

sold to distributors (ranging from *** percent to *** percent).⁴⁶ Petitioner maintains that out-of-scope domestically produced CPMs have different channels of distribution since they are sold to industrial users (*i.e.*, restaurants, food service companies, and food manufacturers) whereas in-scope domestically produced CPMs are sold overwhelmingly to retailers (*i.e.*, grocery stores and club stores).⁴⁷

For channels of distribution, Giorgio reported that out-of-scope CPMs were never comparable with in-scope CPMs.⁴⁸ Three out of four responding U.S. importers reported that they were never comparable while one importer reported that they were somewhat comparable.⁴⁹

Interchangeability. Petitioner maintains that all CPMs within the scope are generally interchangeable.⁵⁰ According to Petitioner, in-scope CPMs and out-of-scope CPMs have very limited interchangeability since individual consumers cooking at home generally use CPMs in smaller-sized containers; they do not use out-of-scope CPMs since the large-sized cans are more expensive and typically would spoil within a week before being fully consumed.⁵¹

With respect to interchangeability, Giorgio reported that out-of-scope large, industrial packaged CPMs were never comparable with in-scope CPMs.⁵² Two out of four responding U.S. importers reported that they were somewhat or never comparable while the other two importers reported that they were fully or mostly comparable.⁵³

Producer and Customer Perceptions. According to Petitioner, producers and customers generally perceive all CPMs that are within the scope as comprising a separate and distinct product category.⁵⁴ As to customer and producer perceptions, Giorgio reported that out-of-scope CPMs were never comparable with CPMs within the scope.⁵⁵ Three out of four responding U.S. importers reported that they were never comparable, while the other importer reported that they were mostly comparable.⁵⁶

⁴⁶ CR/PR at Table II-1.

⁴⁷ Petitioner's Postconf. Br., Answers to Staff Questions, Exh. 1 at 7; Conf. Tr. at 11, 17 (Loiseau).

⁴⁸ CR/PR at Appendix D, Table D-1.

⁴⁹ CR/PR at Appendix D, Table D-1.

⁵⁰ Petitioner's Postconf. Br. at 6; Conf. Tr. at 28 (Loiseau).

⁵¹ Petitioner's Postconf. Br., Answers to Staff Questions, Exh. 1 at 6-7; Conf. Tr. at 53 (Hermann) & 126 (Loiseau).

⁵² CR/PR at Appendix D, Table D-1.

⁵³ CR/PR at Appendix D, Table D-1.

⁵⁴ Petitioner's Postconf. Br., Answers to Staff Questions, Exh. 1 at 7-8; Conf. Tr. at 51-52 (Loiseau).

⁵⁵ CR/PR at Appendix D, Table D-1.

⁵⁶ CR/PR at Appendix D, Table D-1.

Price. The pricing data indicate that there were appreciable variations in quarterly prices among the various pricing products for domestically-produced CPMs during the period of investigation.⁵⁷ The Commission did not collect pricing data for out-of-scope domestically produced CPMs in these preliminary phase investigations.

In terms of price, Giorgio reported that out-of-scope CPMs were never comparable with in-scope CPMs.⁵⁸ Two of three responding U.S. importers reported that they were never comparable, while the other importer reported that they were somewhat comparable.⁵⁹

Conclusion. Evidence on the record of these preliminary phase investigations indicates that all CPMs within the scope are produced from the same genus of fresh mushrooms and have significant similarities in terms of physical characteristics, including flavor and shelf-life. All CPMs within the scope generally are produced through the same production process at the same facility and by the same employees, are generally interchangeable and used for food, are sold overwhelmingly through the same channels of distribution, albeit at appreciably varying prices, and are perceived to be a single product category by market participants. No party argues for defining the domestic like product more broadly than the scope for purposes of these preliminary determinations. The sole domestic producer (Giorgio) reported that in-scope CPMs and out-of-scope CPMs are never comparable with respect to all factors, while most importers reported that the in-scope and out-of-scope products are only somewhat or not comparable for most factors. As discussed above, the information available in the current record indicates that there is a substantial difference in terms of size between the in-scope products (8 ounces or less) and out-of-scope products (typically 64 or 68 ounces) and that they compete in different channels of distribution and have different end uses (*i.e.*, in-scope retail versus out-of-scope industrial). In light of the above, and the lack of any contrary argument, we

⁵⁷ CR/PR at Tables V-4 to V-7.

⁵⁸ CR/PR at Appendix D, Table D-1.

⁵⁹ CR/PR at Appendix D, Table D-1.

define a single domestic like product consisting of all domestically produced CPMs, coextensive with the scope, for purposes of these preliminary determinations.^{60 61}

IV. Domestic Industry

The domestic industry is defined 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.”⁶² 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.

⁶⁰ In prior investigations covering *CPMs from Chile, China, India, and Indonesia*, the Commission defined a single domestic like product, coextensive with the scope in those proceedings, which, unlike the scope in the current investigations, did not have a size limit on containers. *Certain Preserved Mushrooms from Chile*, Inv. No. 731-TA-776 (Final), USITC Pub. 3144 at 3-6 (Nov. 1998) (“USITC Pub. 3144”); *Certain Preserved Mushrooms from China, India, and Indonesia*, Inv. Nos. 731-TA-777-779 (Final), USITC Pub. 3159 at 3-5 (Feb. 1999) (“USITC Pub. 3159”). However, as discussed earlier, our domestic like product analysis must start with the scope of the investigation as determined by Commerce, which in this case has a size limit. Moreover, these preliminary phase investigations involve a different evidentiary record from those prior proceedings, including different producer and importer questionnaire responses concerning the like product factors. In addition, unlike the prior proceedings where the issue of domestic like product definition was contested by the parties, no respondents here object to Petitioner’s proposed domestic like product definition for purposes of these preliminary determinations. CR/PR at I-6-7.

In the prior CPM investigations, the Commission 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. USITC Pub. 3144 at 4; USITC Pub. 3159 at 5. It further 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. USITC Pub. 3144 at 5-6; USITC Pub. 3159 at 5. In the first, second, third, and fourth five-year reviews, the Commission reaffirmed the domestic like product definition from the original investigations and found a single domestic like product coextensive with the scope. *Certain Preserved Mushrooms from Chile, China, India, and Indonesia*, Inv. Nos. 731-TA-776-779 (Review), USITC Pub. 3731 at 5 (Oct. 2004); *Certain Preserved Mushrooms from Chile, China, India, and Indonesia*, Inv. Nos. 731-TA-776-779 (Second Review), USITC Pub. 4135 at 5 (April 2010); *Certain Preserved Mushrooms from Chile, China, India, and Indonesia*, Inv. Nos. 731-TA-776-779 (Third Review), USITC Pub. 4557 at 6 (August 2015); *Certain Preserved Mushrooms from Chile, China, India, and Indonesia*, Inv. Nos. 731-TA-776-779 (Fourth Review), USITC Pub. 5167 at 8 (March 2021).

⁶¹ If parties wish to pursue domestic like product arguments in any final phase of these investigations, they should provide their suggested definitions with specificity for data collection in their comments on draft questionnaires. 19 C.F.R. § 207.20(b).

⁶² 19 U.S.C. § 1677(4)(A).

Petitioner's Arguments. Petitioner maintains that appropriate circumstances do not exist to exclude any domestic producers of CPMs as related parties under the statute.⁶³ Petitioner urges the Commission to determine there is one domestic industry comprised of all domestic producers of CPMs.⁶⁴

Respondents' Arguments. No respondents addressed related parties or the domestic industry definition.

Based on the current record, there are no related party issues in these preliminary phase investigations. Giorgio, the sole domestic producer during the POI, neither imported nor purchased subject imports during the POI, and is not related to any importer or foreign producer of subject merchandise.⁶⁵ In light of our domestic like product definition, and no party having argued to the contrary, we define a single domestic industry consisting of all U.S. producers of CPMs, namely Giorgio.⁶⁶

⁶³ Petitioner's Postconf. Br. at 9.

⁶⁴ Petitioner's Postconf. Br. at 9.

⁶⁵ CR/PR at Tables III-1 & III-2; Giorgio U.S. Producer Questionnaire at I-6, I-7, II-12, II-13, and II-14. As discussed above, Sunny Dell submitted only a partial U.S. producer questionnaire response while no other firms submitted a domestic producer questionnaire other than Giorgio. CR/PR at III-1 & nn.1, 2. In its partial questionnaire response, Sunny Dell reported that it did not import subject merchandise during the POI, that it purchased zero imports from subject sources during 2019-2021, and that it is not related to any importer or foreign producer of subject merchandise. Sunny Dell U.S. Producer Questionnaire at I-6-7 and II-12-14. Accordingly, based on the current record, Sunny Dell does not qualify as a related party under the statute. While Monterey Mushrooms ceased domestic production of CPMs in May 2019 (see Petitioner's Postconf. Br. at 9), there is no information on the record to indicate whether it may qualify as a related party. In any event, there are no data from Monterey to include or exclude for our analysis.

⁶⁶ In cases involving processed agricultural products, section 771(4)(E) of the Tariff Act authorizes the Commission to include growers of a raw agricultural input within the domestic industry producing the processed agricultural product if:

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

(b) there is a substantial coincidence of economic interest between the growers and producers of the processed product based upon the relevant economic factors. 19 U.S.C. § 1677(4)(E)(i).

No party addressed the issue of whether the domestic industry should include growers of fresh mushrooms as well as the petitioning processor of CPMs (Giorgio). Based on the current record, the first prong of the grower/processor provision is not satisfied because fresh mushrooms are not substantially or completely devoted to the production of CPMs. Information available in the current record indicates that during the POI only approximately 7 to 17 percent of fresh mushrooms were used to produce processed mushrooms, including the domestic like product, since fresh mushrooms were sold overwhelmingly in the fresh market. CR/PR at I-8. See, e.g., *Dried Tart Cherries from Turkey*, Inv. (Continued...)

V. Cumulation⁶⁷

For purposes of evaluating the volume and effects for a determination of material injury by reason of subject imports, section 771(7)(G)(i) of the Tariff Act requires the Commission to cumulate subject imports from all countries as to which petitions were filed and/or investigations self-initiated by Commerce on the same day, if such imports compete with each other and with the domestic like product in the U.S. market. In assessing whether subject imports compete with each other and with the domestic like product, the Commission generally has considered four factors:

- (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 geographic markets of subject 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 the subject imports are simultaneously present in the market.⁶⁸

Nos. 701-TA-622 & 731-TA-1428 (Final), USITC Pub. 5014 (Jan. 2020) at 8-9 (first prong not met where approximately 25 to 35 percent of raw tart cherries were processed into dried tart cherries); *Certain Processed Hazelnuts From Turkey*, Inv. No. 731-TA-1057 (Preliminary), USITC Pub. 3656 (Dec. 2003) at 10 (first prong not met where 35 percent of volume of raw product). Accordingly, we do not include the growers in the domestic industry and limit the domestic industry to processors of CPMs.

⁶⁷ Pursuant to Section 771(24) of the Tariff Act, imports with respect to a subject investigation corresponding to a domestic like product shall be deemed negligible if they account for less than three percent of all such merchandise imported into the United States during the most recent 12 months for which data are available preceding the filing of the petition. *See* 19 U.S.C. §§ 1673b(a), 1677(24)(A)(i).

Based on official import statistics, imports from France, the Netherlands, Poland, and Spain accounted for 6.2 percent, 69.1 percent, 14.4 percent, and 5.7 percent of total imports of subject merchandise, respectively, during the twelve months preceding the filing of the petitions, March 2021 through February 2022. CR/PR at Table IV-3. Because these percentages exceed the applicable statutory threshold, we find that subject imports from France, the Netherlands, Poland, and Spain are not negligible.

⁶⁸ *See Certain Cast-Iron Pipe Fittings from Brazil, the Republic of Korea, and Taiwan*, Inv. Nos. 731-TA-278-280 (Final), USITC Pub. 1845 (May 1986), *aff'd*, *Fundicao Tupy, S.A. v. United States*, 678 F. Supp. 898 (Ct. Int'l Trade), *aff'd*, 859 F.2d 915 (Fed. Cir. 1988).

While no single factor is necessarily determinative, and the list of factors is not exclusive, these factors are intended to provide the Commission with a framework for determining whether the subject imports compete with each other and with the domestic like product.⁶⁹ Only a “reasonable overlap” of competition is required.⁷⁰

A. Arguments of the Parties

Petitioner’s Arguments. Petitioner argues that the Commission should cumulatively assess imports from all four subject countries. It contends that the petitions for all four of the subject countries were filed on the same day, that a reasonable overlap in competition exists between CPMs produced in the subject countries and among CPMs from all four subject countries and the domestic like product, and that therefore subject imports should be cumulated.⁷¹

Respondents’ Arguments. No respondents addressed cumulation for purposes of present material injury.

B. Analysis and Conclusion

The initial statutory requirement is satisfied because the Petitioner filed the antidumping duty petitions with respect to France, the Netherlands, Poland, and Spain on the same day, March 31, 2022. As discussed below, we find that there is a reasonable overlap of competition between subject imports from each of the subject countries and between subject imports from each source and the domestic like product.

Fungibility. The available record evidence indicates that subject imports from each of the subject countries and the domestic like product are substantially fungible. Giorgio, the sole domestic producer, reported that the domestic like product and subject imports from France, the Netherlands, Poland, and Spain were always interchangeable in all comparisons between sources.⁷² Importers were more divided on this question, although a large majority of

⁶⁹ See, e.g., *Wieland Werke, AG v. United States*, 718 F. Supp. 50 (Ct. Int’l Trade 1989).

⁷⁰ The Statement of Administrative Action (SAA) to the Uruguay Round Agreements Act (URAA), expressly states that “the new section will not affect current Commission practice under which the statutory requirement is satisfied if there is a reasonable overlap of competition.” H.R. Rep. No. 103-316, Vol. I at 848 (1994) (citing *Fundicao Tupy, S.A. v. United States*, 678 F. Supp. at 902; see *Goss Graphic Sys., Inc. v. United States*, 33 F. Supp. 2d 1082, 1087 (Ct. Int’l Trade 1998) (“cumulation does not require two products to be highly fungible”); *Wieland Werke, AG*, 718 F. Supp. at 52 (“Completely overlapping markets are not required.”)).

⁷¹ Petitioner’s Postconf. Br. at 10-13.

⁷² CR/PR at Table II-7.

importers reported that domestic and imported CPMs were always or sometimes interchangeable,⁷³ with factors reported by importers as limiting interchangeability including availability and purchaser preference for certain suppliers based upon country of origin.⁷⁴ U.S. producers and importers reported domestic shipments and shipments of imports from each subject country for each of the four pricing products.⁷⁵ Further, in 2021 CPMs from the domestic producer and all subject sources were sold in overlapping container types, with the largest volume of CPMs from all sources consisting of four-ounce cans, substantial quantities of CPMs from all sources consisting of all other in-scope cans, and appreciable quantities of CPMs from the domestic producer and two subject sources (*i.e.*, the Netherlands and Poland) consisting of 4.5 ounce jars and 6 ounce jars.⁷⁶

In response to questions concerning the prevalence of non-price differences, Giorgio reported that there were never non-price differences between the domestic product and subject imports from France, the Netherlands, Poland, and Spain, and between subject imports from different subject countries.⁷⁷ The majority of importers reported that there were only sometimes or never non-price differences in six of 10 country comparisons comprising subject

⁷³ CR/PR at II-13 and Table II-8. With respect to comparisons between the domestic like product and subject imports from France, *** of *** responding importers reported that subject imports from France were either always or frequently interchangeable, while *** of *** importers reported that they were never interchangeable. *Id.* at Table II-8. With respect to comparisons between the domestic like product and subject imports from the Netherlands, *** of *** responding importers reported that subject imports from the Netherlands were either always or frequently interchangeable, while *** of *** importers reported that they were never interchangeable. *Id.* For comparisons between the domestic like product and subject imports from Poland, *** of *** responding importers reported that subject imports from Poland were always interchangeable, while *** importer reported that they were never interchangeable. *Id.* For comparisons between the domestic like product and subject imports from Spain, *** of *** responding importers reported that subject imports from Spain were only sometimes or never interchangeable, while *** importer reported that they were always interchangeable. *Id.*

For comparisons between subject imports from France and the Netherlands, *** of *** responding importers reported that product from both subject countries were always or frequently interchangeable, while *** of *** responding importers reported that they were only sometimes interchangeable. *Id.* For each of the comparisons between subject imports from France and Poland and between subject imports from France and Spain, *** of *** responding importers reported that product from both subject countries was always interchangeable, while *** of *** importers reported that they were only sometimes interchangeable. *Id.* For each of the comparisons between subject imports from the Netherlands and Poland and between subject imports from the Netherlands and Spain, *** of *** responding importers reported that product from both subject countries was only sometimes or never interchangeable, while *** of *** importers reported that they were always interchangeable. *Id.*

⁷⁴ CR/PR at II-11.

⁷⁵ CR/PR at Tables V-4-V-7.

⁷⁶ CR/PR at Table IV-4.

⁷⁷ CR/PR at Table II-9.

imports and the domestic product; conversely, the majority of importers reported that there were always or frequently non-price differences in four of 10 country comparisons.⁷⁸

Channels of Distribution. There is significant overlap in the channels of distribution reported for the domestic like product and imports from each subject source. During the POI, the vast majority of shipments of CPMs from three of the subject countries (*i.e.*, the Netherlands, Poland, and Spain) and Giorgio were sold to retailers, with the remainder sold to distributors.⁷⁹

Geographic Overlap. There is significant geographic overlap between the domestic like product and imports from each subject source. During the POI, Giorgio reported shipping the domestic product to all six regions of the contiguous United States.⁸⁰ Importers reported shipping imports from each subject country to all six regions as well.⁸¹ Imports from each subject country also entered through ports located in the East, North, South, and West.⁸²

Simultaneous Presence in Market. Imports from each subject country have been present in the U.S. market during every month from January 2019 to December 2021, with the exception of subject imports from France in one month (December 2021) and subject imports from Spain in one month (April 2020).⁸³

Conclusion. The record shows that imports from each subject country are substantially fungible with the domestic like product and each other, imports from each of the subject countries and the domestic like product largely share the same channels of distribution and geographic markets, and imports from each subject country have been simultaneously present in the U.S. market. In light of the foregoing, we find that there is a reasonable overlap of competition between the domestic like product and imports from each subject country and among imports from each subject country. Therefore, we cumulatively assess the volume and effects of subject imports from France, the Netherlands, Poland, and Spain for purposes of analyzing present material injury in the preliminary phase of these investigations.

⁷⁸ CR/PR at Table II-10.

⁷⁹ CR/PR at Table II-1. Shipments of subject imports from ***. *Id.*

⁸⁰ CR/PR at Table II-2.

⁸¹ CR/PR at Table II-2.

⁸² See CR/PR at Table IV-5.

⁸³ See CR/PR at Table IV-6.

VI. Reasonable Indication of Material Injury by Reason of Subject Imports

A. Legal Standard

In the preliminary phase of antidumping and countervailing duty investigations, the Commission determines whether there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of the imports under investigation.⁸⁴ In making this determination, the Commission must consider the volume of subject imports, their effect on prices for the domestic like product, and their impact on domestic producers of the domestic like product, but only in the context of U.S. production operations.⁸⁵ The statute defines “material injury” as “harm which is not inconsequential, immaterial, or unimportant.”⁸⁶ In assessing whether there is a reasonable indication that the domestic industry is materially injured by reason of subject imports, we consider all relevant economic factors that bear on the state of the industry in the United States.⁸⁷ No single factor is dispositive, and all relevant factors are considered “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”⁸⁸

Although the statute requires the Commission to determine whether there is a reasonable indication that the domestic industry is “materially injured or threatened with material injury by reason of” unfairly traded imports,⁸⁹ it does not define the phrase “by reason of,” indicating that this aspect of the injury analysis is left to the Commission’s reasonable exercise of its discretion.⁹⁰ In identifying a causal link, if any, between subject imports and material injury to the domestic industry, the Commission examines the facts of record that relate to the significance of the volume and price effects of the subject imports and any impact of those imports on the condition of the domestic industry. This evaluation under the “by reason of” standard must ensure that subject imports are more than a minimal or tangential cause of injury and that there is a sufficient causal, not merely a temporal, nexus between subject imports and material injury.⁹¹

⁸⁴ 19 U.S.C. §§ 1671b(a), 1673b(a).

⁸⁵ 19 U.S.C. § 1677(7)(B). The Commission “may consider such other economic factors as are relevant to the determination” but shall “identify each {such} factor ... and explain in full its relevance to the determination.” 19 U.S.C. § 1677(7)(B).

⁸⁶ 19 U.S.C. § 1677(7)(A).

⁸⁷ 19 U.S.C. § 1677(7)(C)(iii).

⁸⁸ 19 U.S.C. § 1677(7)(C)(iii).

⁸⁹ 19 U.S.C. §§ 1671b(a), 1673b(a).

⁹⁰ *Angus Chemical Co. v. United States*, 140 F.3d 1478, 1484-85 (Fed. Cir. 1998) (“{T}he statute does not ‘compel the commissioners’ to employ {a particular methodology}.”), *aff’g*, 944 F. Supp. 943, 951 (Ct. Int’l Trade 1996).

⁹¹ The Federal Circuit, in addressing the causation standard of the statute, observed that “{a}s long as its effects are not merely incidental, tangential, or trivial, the foreign product sold at less than (Continued...)”

In many investigations, there are other economic factors at work, some or all of which may also be having adverse effects on the domestic industry. Such economic factors might include nonsubject imports; changes in technology, demand, or consumer tastes; competition among domestic producers; or management decisions by domestic producers. The legislative history explains that the Commission must examine factors other than subject imports to ensure that it is not attributing injury from other factors to the subject imports, thereby inflating an otherwise tangential cause of injury into one that satisfies the statutory material injury threshold.⁹² In performing its examination, however, the Commission need not isolate the injury caused by other factors from injury caused by unfairly traded imports.⁹³ Nor does the “by reason of” standard require that unfairly traded imports be the “principal” cause of injury or contemplate that injury from unfairly traded imports be weighed against other factors, such

fair value meets the causation requirement.” *Nippon Steel Corp. v. USITC*, 345 F.3d 1379, 1384 (Fed. Cir. 2003). This was further ratified in *Mittal Steel Point Lisas Ltd. v. United States*, 542 F.3d 867, 873 (Fed. Cir. 2008), where the Federal Circuit, quoting *Gerald Metals, Inc. v. United States*, 132 F.3d 716, 722 (Fed. Cir. 1997), stated that “this court requires evidence in the record ‘to show that the harm occurred ‘by reason of’ the LTFV imports, not by reason of a minimal or tangential contribution to material harm caused by LTFV goods.’” See also *Nippon Steel Corp. v. United States*, 458 F.3d 1345, 1357 (Fed. Cir. 2006); *Taiwan Semiconductor Industry Ass’n v. USITC*, 266 F.3d 1339, 1345 (Fed. Cir. 2001).

⁹² SAA at 851-52 (“{T}he Commission must examine other factors to ensure that it is not attributing injury from other sources to the subject imports.”); S. Rep. 96-249 at 75 (1979) (the Commission “will consider information which indicates that harm is caused by factors other than less-than-fair-value imports.”); H.R. Rep. 96-317 at 47 (1979) (“in examining the overall injury being experienced by a domestic industry, the ITC will take into account evidence presented to it which demonstrates that the harm attributed by the petitioner to the subsidized or dumped imports is attributable to such other factors;” those factors include “the volume and prices of nonsubsidized imports or imports sold at fair value, contraction in demand or changes in patterns of consumption, trade restrictive practices of and competition between the foreign and domestic producers, developments in technology and the export performance and productivity of the domestic industry”); accord *Mittal Steel*, 542 F.3d at 877.

⁹³ SAA at 851-52 (“{T}he Commission need not isolate the injury caused by other factors from injury caused by unfair imports.”); *Taiwan Semiconductor Industry Ass’n*, 266 F.3d at 1345 (“{T}he Commission need not isolate the injury caused by other factors from injury caused by unfair imports Rather, the Commission must examine other factors to ensure that it is not attributing injury from other sources to the subject imports.” (emphasis in original)); *Asociacion de Productores de Salmon y Trucha de Chile AG v. United States*, 180 F. Supp. 2d 1360, 1375 (Ct. Int’l Trade 2002) (“{t}he Commission is not required to isolate the effects of subject imports from other factors contributing to injury” or make “bright-line distinctions” between the effects of subject imports and other causes.); see also *Softwood Lumber from Canada*, Inv. Nos. 701-TA-414 and 731-TA-928 (Remand), USITC Pub. 3658 at 100-01 (Dec. 2003) (Commission recognized that “{i}f an alleged other factor is found not to have or threaten to have injurious effects to the domestic industry, *i.e.*, it is not an ‘other causal factor,’ then there is nothing to further examine regarding attribution to injury”), citing *Gerald Metals*, 132 F.3d at 722 (the statute “does not suggest that an importer of LTFV goods can escape countervailing duties by finding some tangential or minor cause unrelated to the LTFV goods that contributed to the harmful effects on domestic market prices.”).

as nonsubject imports, which may be contributing to overall injury to an industry.⁹⁴ It is clear that the existence of injury caused by other factors does not compel a negative determination.⁹⁵

Assessment of whether material injury to the domestic industry is “by reason of” subject imports “does not require the Commission to address the causation issue in any particular way” as long as “the injury to the domestic industry can reasonably be attributed to the subject imports.”⁹⁶ The Commission ensures that it has “evidence in the record” to “show that the harm occurred ‘by reason of’ the LTFV imports,” and that it is “not attributing injury from other sources to the subject imports.”⁹⁷ The Federal Circuit has examined and affirmed various Commission methodologies and has disavowed “rigid adherence to a specific formula.”⁹⁸

The question of whether the material injury threshold for subject imports is satisfied notwithstanding any injury from other factors is factual, subject to review under the substantial evidence standard.⁹⁹ Congress has delegated this factual finding to the Commission because of the agency’s institutional expertise in resolving injury issues.¹⁰⁰

⁹⁴ S. Rep. 96-249 at 74-75; H.R. Rep. 96-317 at 47.

⁹⁵ See *Nippon Steel Corp.*, 345 F.3d at 1381 (“an affirmative material-injury determination under the statute requires no more than a substantial-factor showing. That is, the ‘dumping’ need not be the sole or principal cause of injury.”).

⁹⁶ *Mittal Steel*, 542 F.3d at 876 &78; see also *id.* at 873 (“While the Commission may not enter an affirmative determination unless it finds that a domestic industry is materially injured ‘by reason of’ subject imports, the Commission is not required to follow a single methodology for making that determination ... {and has} broad discretion with respect to its choice of methodology.”), citing *United States Steel Group v. United States*, 96 F.3d 1352, 1362 (Fed. Cir. 1996) and S. Rep. 96-249 at 75. In its decision in *Swiff-Train v. United States*, 793 F.3d 1355 (Fed. Cir. 2015), the Federal Circuit affirmed the Commission’s causation analysis as comporting with the Court’s guidance in *Mittal*.

⁹⁷ *Mittal Steel*, 542 F.3d at 873 (quoting from *Gerald Metals*, 132 F.3d at 722), 877-79. We note that one relevant “other factor” may involve the presence of significant volumes of price-competitive nonsubject imports in the U.S. market, particularly when a commodity product is at issue. In appropriate cases, the Commission collects information regarding nonsubject imports and producers in nonsubject countries in order to conduct its analysis.

⁹⁸ *Nucor Corp. v. United States*, 414 F.3d 1331, 1336, 1341 (Fed. Cir. 2005); see also *Mittal Steel*, 542 F.3d at 879 (“*Bratsk* did not read into the antidumping statute a Procrustean formula for determining whether a domestic injury was ‘by reason’ of subject imports.”).

⁹⁹ We provide in our discussion below a full analysis of other factors alleged to have caused any material injury experienced by the domestic industry.

¹⁰⁰ *Mittal Steel*, 542 F.3d at 873; *Nippon Steel Corp.*, 458 F.3d at 1350, citing *U.S. Steel Group*, 96 F.3d at 1357; S. Rep. 96-249 at 75 (“The determination of the ITC with respect to causation is ... complex and difficult, and is a matter for the judgment of the ITC.”).

B. Conditions of Competition and the Business Cycle

The following conditions of competition inform our analysis of whether there is a reasonable indication of material injury by reason of subject imports.

1. Demand Conditions

CPMs are typically used as ingredients in various food products, including sauces, soups, pizzas, and gravies.¹⁰¹ U.S. demand for CPMs is therefore primarily driven by consumer demand for the food products in which CPMs are used.¹⁰²

Giorgio, the sole domestic producer, reported that U.S. demand for CPMs fluctuated since January 1, 2019.¹⁰³ However, four out of eight responding U.S. importers reported that U.S. demand for CPMs has increased since January 1, 2019.¹⁰⁴

Apparent U.S. consumption of CPMs increased by *** percent by quantity from 2019 to 2021, from *** pounds in 2019 to *** pounds in 2020 and *** pounds in 2021.¹⁰⁵ Information available in the current record indicates that the increase in U.S. demand for CPMs during the POI was attributable largely to the COVID-19 pandemic as consumers prepared more food at home.¹⁰⁶

2. Supply Conditions

Giorgio, the sole domestic producer, accounted for *** percent of domestic production of CPMs in 2021.¹⁰⁷ The domestic industry was the second-largest supply source to the U.S. market throughout the POI.¹⁰⁸ The domestic industry's market share increased from *** percent in 2019 to *** percent in 2020, but then declined to *** percent in 2021.¹⁰⁹ The domestic industry reported annual production capacity of *** pounds for each year of the POI.¹¹⁰ Its capacity utilization was low throughout the POI, although it increased from *** percent in 2019 to *** percent in 2020 and *** percent in 2021.¹¹¹

¹⁰¹ CR/PR at I-7.

¹⁰² CR/PR at I-7.

¹⁰³ CR/PR at Table II-4.

¹⁰⁴ CR/PR at Table II-4. In addition, two of eight reported that U.S. demand for CPMs decreased, one reported that U.S. demand for CPMs fluctuated, and one reported that U.S. demand had not changed. *Id.*

¹⁰⁵ CR/PR at Table C-1.

¹⁰⁶ CR/PR at I-8; Conf. Tr. at 111-112 (Loiseau).

¹⁰⁷ CR/PR at Table III-1.

¹⁰⁸ CR/PR at Tables IV-7 and C-1.

¹⁰⁹ CR/PR at Tables IV-7 and C-1.

¹¹⁰ CR/PR at Tables III-3 & C-1.

¹¹¹ CR/PR at Tables III-3 & C-1.

The domestic industry's supply of CPMs is a function of the crop size of fresh mushrooms available for processing into CPMs as well as the availability of inventories of CPMs.¹¹²

Cumulated subject imports were the largest source of supply to the U.S. market throughout the POI.¹¹³ Cumulated subject imports' market share declined from *** percent in 2019 to *** percent in 2020, but then increased to *** percent in 2021.¹¹⁴

Nonsubject imports were the smallest source of supply to the U.S. market throughout the POI.¹¹⁵ Nonsubject imports' market share declined from *** percent in 2019 to *** percent in 2020 and *** percent in 2021.¹¹⁶ The largest sources of nonsubject imports during the POI were Canada, Indonesia, and Taiwan.¹¹⁷ Nonsubject imports of CPMs from Chile, China, India, and Indonesia have been subject to antidumping duty orders since 1998, which remain in effect following the Commission's affirmative determinations last year in the fourth five-year reviews.¹¹⁸

The sole domestic producer, Giorgio, and four out of seven importers reported that they experienced supply constraints since January 1, 2019.¹¹⁹

3. Substitutability and Other Conditions

We find that there is a moderate-to-high degree of substitutability between domestically produced CPMs and CPMs imported from subject countries for purposes of the preliminary phase of these investigations.¹²⁰ Giorgio reported that the domestic like product and subject imports from France, the Netherlands, Poland, and Spain were always interchangeable in all comparisons between sources.¹²¹ Importers were more divided on this question, although a large majority of importers reported that domestic and imported CPMs

¹¹² CR/PR at I-7-9, III-5, and Table III-6.

¹¹³ CR/PR at Tables IV-7 and C-1.

¹¹⁴ CR/PR at Tables IV-7 and C-1.

¹¹⁵ CR/PR at Tables IV-7 and C-1.

¹¹⁶ CR/PR at Tables IV-7 and C-1.

¹¹⁷ CR/PR at II-9.

¹¹⁸ CR/PR at I- 4-5; *see Preserved Mushrooms from Chile, China, India, and Indonesia*, Inv. Nos. 731-TA-776-779 (Fourth Review), USITC Pub. 5167 (Mar. 2021).

¹¹⁹ CR/PR at II-9-10.

¹²⁰ CR/PR at II-11. The degree of substitution between domestic and imported certain preserved mushrooms depends upon the extent of product differentiation between the domestic and imported products and reflects how easily purchasers can switch from domestically produced certain preserved mushrooms to the certain preserved mushrooms imported from subject countries (or vice versa) when prices change. *Id.*

¹²¹ CR/PR at Table II-7.

were always or sometimes interchangeable.¹²² Factors reported by importers as limiting interchangeability include availability and purchaser preference for certain suppliers based upon country of origin.¹²³

The limited record in these preliminary phase determinations indicates that price is an important factor in purchasing decisions for CPMs. In response to the Commission's lost sales/lost revenue survey, all four responding purchasers identified price among the top three factors considered in purchasing decisions, although purchasers also cited non-price factors, including quality and availability/supply.¹²⁴ Price and quality were the most often cited factors that firms consider in their purchasing decisions for CPMs (4 firms each).¹²⁵ Giorgio reported that differences other than price were never significant in sales of CPMs from different sources.¹²⁶ U.S. importers' responses were mixed. Although the majority of responding importers reported that there were only sometimes or never non-price differences for most country comparisons, including all comparisons between subject countries, a majority of responding importers reported that there were always or frequently non-price differences for all comparisons between the United States and subject countries.¹²⁷

Giorgio and most responding importers (five out of eight importers) reported that the U.S. market for CPMs was not subject to distinct business cycles.¹²⁸ However, several importers reported that the market was subject to distinct business cycles, with increased sales during the year-end holiday season and Easter.¹²⁹

During the POI, the domestic like product was sold overwhelmingly to retailers, but was also sold in appreciable quantities to distributors.¹³⁰ Subject imports from the Netherlands, Poland, and Spain were sold overwhelmingly to retailers, but were also sold appreciable quantities to distributors.¹³¹ Subject imports from France were sold exclusively to retailers.¹³²

¹²² CR/PR at II-13 and Table II-8.

¹²³ CR/PR at II-11.

¹²⁴ CR/PR at Table II-5.

¹²⁵ CR/PR at Table II-5. Availability/supply was the next most often cited top factor (1 firm). *Id.* Quality was the most frequently cited first-most important factor (2 firms), followed by availability/supply (1 firm); price and quality were the most frequently reported second-most important factor (1 firm each); and price was the most frequently reported third-most important factor (3 firms), followed by quality (1 firm). *Id.*

¹²⁶ CR/PR at Table II-9.

¹²⁷ CR/PR at Table II-10.

¹²⁸ Giorgio U.S. Producer Questionnaire at IV-16.

¹²⁹ CR/PR at II-10.

¹³⁰ CR/PR at Table II-1.

¹³¹ CR/PR at Table II-1.

¹³² CR/PR at Table II-1.

Giorgio sold CPMs mostly using spot sales, but also sold substantial quantities using annual contracts.¹³³ Importers sold subject merchandise mainly using annual contracts, but also sold substantial quantities using long-term and short-term contracts.¹³⁴

During the POI, domestically produced CPMs were sold exclusively from inventory.¹³⁵ Cumulated subject imports were sold *** from inventory, but additional *** quantities were produced to order.¹³⁶ U.S. importers generally reported longer lead times than U.S. producers.¹³⁷

Raw materials accounted for *** percent of the cost of goods sold (“COGS”) for domestically produced CPMs in 2019, *** percent in 2020, and *** percent in 2021.¹³⁸ The main raw material input for CPMs are *Agaricus* fresh mushrooms.¹³⁹ As discussed above, *Agaricus* fresh mushrooms typically are used for processing into CPMs after they are deemed unsuitable for the fresh market in terms of quality or appearance.¹⁴⁰ Giorgio reported obtaining fresh mushrooms used for processing into CPMs primarily from related suppliers but also sourced fresh mushrooms from unrelated suppliers during the POI.¹⁴¹

C. Volume of Subject Imports

Section 771(7)(C)(i) of the Tariff Act provides that the “Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States, is significant.”¹⁴²

The volume of cumulated subject import shipments increased overall by *** percent from 2019 to 2021, increasing from *** pounds in 2019 to *** pounds in 2020 and *** pounds in 2021.¹⁴³ The market share of cumulated subject imports increased overall by *** percentage

¹³³ CR/PR at Table V-3.

¹³⁴ CR/PR at Table V-3.

¹³⁵ CR/PR at II-13.

¹³⁶ CR/PR at II-13.

¹³⁷ CR/PR at II-13.

¹³⁸ CR/PR at Tables VI-1 and VI-2.

¹³⁹ CR/PR at V-1. Information available from USDA public source data indicates that prices for fresh *Agaricus* mushrooms fluctuated but increased overall by approximately *** percent between January 2019 and December 2021. CR/PR at V-1-2, Figure V-1, and Table V-1.

¹⁴⁰ CR/PR at I-8.

¹⁴¹ CR/PR at VI-6; Conf. Tr. at 14 and 86 (Loiseau); Petitioner’s Postconf. Br., Answers to Staff Questions, Exh. 1 at 16.

¹⁴² 19 U.S.C. § 1677(7)(C)(i).

¹⁴³ CR/PR at Tables IV-7 and C-1.

points between 2019 and 2021, declining from *** percent in 2019 to *** percent in 2020, but then increasing to *** percent in 2021.¹⁴⁴

The ratio of subject imports to domestic production declined from *** percent in 2019 to *** percent in 2020 and *** percent in 2021.¹⁴⁵

In light of the foregoing, for the purposes of the preliminary phase of these investigations, we find that the volume of subject imports is significant in absolute terms and relative to consumption and production in the United States, and that the increase in volume is significant, both in absolute terms and relative to consumption in the United States.

D. Price Effects of the Subject Imports

Section 771(7)(C)(ii) of the Tariff Act provides that, in evaluating the price effects of subject imports, the Commission shall consider whether –

(I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and

(II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.¹⁴⁶

As addressed in section IV.B.4. above, the record indicates that there is a moderate-to-high degree of substitutability between the domestic like product and the cumulated subject imports and that price is an important factor in purchasing decisions for CPMs.

The Commission collected quarterly pricing data from U.S. producers and importers for four pricing products.¹⁴⁷ One domestic producer and eight importers provided usable pricing data, although not all firms reported pricing for all products for all quarters.¹⁴⁸ Pricing data reported by these firms accounted for *** percent of U.S. producers' U.S. shipments of CPMs, *** percent of importers' U.S shipments of subject merchandise from France, *** percent of importers' U.S shipments of subject merchandise from the Netherlands, *** percent of

¹⁴⁴ CR/PR at Tables IV-7 and C-1.

¹⁴⁵ CR/PR at Table IV-2.

¹⁴⁶ 19 U.S.C. § 1677(7)(C)(ii).

¹⁴⁷ The four pricing products are as follows:

Product 1.-- Stems and pieces, in 4 ounce cans (excluding organic mushrooms)

Product 2.-- Stems and pieces, in 8 ounce cans (excluding organic mushrooms)

Product 3.-- Whole sliced mushrooms, in 4 ounce cans (excluding organic mushrooms)

Product 4.-- Sliced mushrooms, in 4.5 ounce jars (excluding organic mushrooms)

CR/PR at V-5.

¹⁴⁸ CR/PR at V-5.

importers' U.S shipments of subject merchandise from Poland, and *** percent of importers' U.S shipments of subject merchandise from Spain in 2021.¹⁴⁹

The pricing data show predominant underselling by cumulated subject imports. Prices for cumulated subject imports were below those for the domestically produced CPMs in 113 of 186 (or 60.8 percent of) quarterly comparisons, while prices for cumulated subject imports were above those for domestically produced CPMs in 73 of 186 (or 39.2 percent of) quarterly comparisons.¹⁵⁰ There were *** pounds of cumulated subject imports in quarterly comparisons in which cumulated subject imports undersold the domestic like product (*** percent of the total volume) and only *** pounds of cumulated subject imports in quarterly comparisons in which cumulated subject imports oversold the domestic like product (*** percent of the total volume).¹⁵¹ The margins of underselling ranged from *** to *** percent, and averaged *** percent, while the margins of overselling ranged from *** to *** percent, and averaged *** percent.¹⁵²

Given the moderate-to-high degree of substitutability between the domestic like product and cumulated subject imports and that price is an important factor in purchasing decisions for CPMs, we find that there has been significant price underselling by cumulated subject imports and the underselling led lower priced cumulated subject imports to gain U.S. market share at the direct expense of the domestic industry during the POI.^{153 154}

¹⁴⁹ CR/PR at V-6.

¹⁵⁰ CR/PR at Table V-10.

¹⁵¹ CR/PR at Table V-10.

¹⁵² CR/PR at Table V-10. We have also considered purchaser lost sales/lost revenue responses. Three of four purchasers that responded to the Commission's lost sales/lost revenue survey reported that, since 2019, they had purchased subject imports instead of the domestic like product. CR/PR at Table V-12. Although one of these three purchasers reported that subject import prices were lower than the domestic like product, no purchasers reported that price was the primary reason for purchasing subject imports. CR/PR at Table V-12.

¹⁵³ CR/PR at Table C-1. The domestic industry's market share increased from *** percent in 2019 to *** percent in 2020, but then declined to *** percent in 2021, for an overall decline of *** percentage points between 2019 and 2021. *Id.* In contrast, the market share of cumulated subject imports increased overall by *** percentage points between 2019 and 2021, declining from *** percent in 2019 to *** percent in 2020, but then increasing to *** percent in 2021. *Id.* The market share of nonsubject imports declined from *** percent in 2019 to *** percent in 2020 and *** percent in 2021. *Id.*

¹⁵⁴ As discussed below, respondents allege that virtually all of the increase in cumulated subject imports was attributable to the domestic industry's inability to supply the U.S. market during the POI. We note that Giorgio reported substantial unused production capacity throughout the POI and its ending inventories were higher in 2021 than in 2019. CR/PR at Table C-1. We intend to examine further the issue of domestic industry supply constraints in any final phase of these investigations.

We have also examined available data on price trends. During the POI, domestic prices fluctuated but increased overall for all four pricing products.¹⁵⁵ Prices of cumulated subject imports fluctuated but generally increased overall for all four pricing products during the POI.¹⁵⁶

We have also considered whether subject imports have prevented price increases for domestically produced CPMs which otherwise would have occurred to a significant degree. The domestic industry's ratio of COGS to net sales increased from *** percent in 2019 to *** percent in 2020, but then declined to *** percent in 2021, for an overall decline of *** percentage points from 2019 to 2021.^{157 158}

In sum, the available information on the record in the preliminary phase of these investigations indicates that cumulated subject imports significantly undersold domestically produced CPMs and thereby captured market share from the domestic industry during the POI. Therefore, for purposes of these preliminary determinations, we find that cumulated subject imports had significant price effects.

¹⁵⁵ CR/PR at Tables V-5-8. During January 2019-December 2021, domestic prices increased by *** percent for Product 1, *** percent for Product 2, *** percent for Product 3, and *** percent for Product 4. *Id.*

¹⁵⁶ CR/PR at Tables V-5-8. During January 2019-December 2021, prices for subject imports from France increased by *** percent for Product 1, *** percent for Product 2, *** percent for Product 3, and *** percent for Product 4. CR/PR at Table V-8. During January 2019-December 2021, prices for subject imports from the Netherlands increased by *** percent for Product 1, *** percent for Product 2, *** percent for Product 3, but decreased by *** percent for Product 4. *Id.* During January 2019-December 2021, prices for subject imports from Poland increased by *** percent for Product 1 and *** percent for Product 4, but declined by *** percent for Product 2. *Id.* For the period for which data were reported (*i.e.*, April 2020-December 2021), prices for subject imports from Poland increased by *** percent for Product 3. *Id.* During January 2019-December 2021, prices for subject imports from Spain increased by *** percent for Product 1, *** percent for Product 2, *** percent for Product 3, and *** percent for Product 4. *Id.*

¹⁵⁷ CR/PR at Tables VI-1 and C-1.

¹⁵⁸ Petitioner argues that cumulated subject imports caused significant price suppression, emphasizing that, despite increasing demand, the domestic industry's unit COGS were higher than the domestic industry's unit net sales throughout the POI and that the domestic industry's ratio of COGS to net sales exceeded 100 percent in every year of the POI. *See* Petitioner's Postconf. Br. at 24-26. In any final phase investigations, we will further examine whether cumulated subject imports had significant price effects, including whether they prevented price increases for domestically produced CPMs which otherwise would have occurred to a significant degree.

E. Impact of the Subject Imports¹⁵⁹

Section 771(7)(C)(iii) of the Tariff Act provides that the Commission, in examining the impact of the subject imports on the domestic industry, “shall evaluate all relevant economic factors which have a bearing on the state of the industry.” These factors include output, sales, inventories, capacity utilization, market share, employment, wages, productivity, gross profits, net profits, operating profits, cash flow, return on investment, return on capital, ability to raise capital, ability to service debt, research and development (“R&D”), and factors affecting domestic prices. No single factor is dispositive, and all relevant factors are considered “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”¹⁶⁰

Despite growing demand for CPMs, most of the domestic industry’s output indicia deteriorated or were stagnant during the POI. Although apparent U.S. consumption increased by *** percent from 2019 to 2021,¹⁶¹ the domestic industry’s U.S. shipments declined by *** percent over the POI.¹⁶² The domestic industry’s market share increased from *** percent in 2019 to *** percent in 2020, but then declined to *** percent in 2021, for an overall decline of *** percentage points from 2019 to 2021.¹⁶³ While the domestic industry’s production increased by *** percent from 2019 to 2021,¹⁶⁴ its capacity was *** throughout the POI.¹⁶⁵ The domestic industry’s capacity utilization increased by *** percentage points from 2019 to 2021, but remained at very low levels throughout the POI.¹⁶⁶ End-of-period inventories increased by *** percent from 2019 to 2021.¹⁶⁷

¹⁵⁹ Commerce initiated investigations based on estimated dumping margins of 124.41 percent to 360.88 percent for France, 120.88 percent to 146.59 percent for the Netherlands, 20.07 percent to 30.01 percent for Poland, and 17.21 percent to 156.59 percent for Spain. *Certain Preserved Mushrooms from France, the Netherlands, Poland, and Spain: Initiation of Less-Than-Fair-Value Investigations*, 87 Fed. Reg. 24941, 24944 (Apr. 27, 2022).

¹⁶⁰ 19 U.S.C. § 1677(7)(C)(iii). This provision was amended by the Trade Preferences Extension Act (“TPEA”) of 2015, Pub. L. 114-27.

¹⁶¹ Apparent U.S. increased from *** pounds in 2019 to *** pounds in 2020 and *** pounds in 2021. CR/PR at Tables IV-7 & C-1.

¹⁶² The domestic industry’s U.S. shipments increased from *** pounds in 2019 to *** pounds in 2020, but then declined to *** pounds in 2021. CR/PR at Tables III-5 and C-1.

¹⁶³ CR/PR at Tables IV-7 and C-1.

¹⁶⁴ The domestic industry’s production increased from *** pounds in 2019 to *** pounds in 2020 and *** pounds in 2021. CR/PR at Tables III-3 and C-1.

¹⁶⁵ The domestic industry’s capacity was *** pounds in 2019, 2020, and 2021. CR/PR at Tables III-3 and C-1.

¹⁶⁶ The domestic industry’s capacity utilization increased from *** percent in 2019 to *** percent in 2020 and *** percent in 2021. CR/PR at Tables III-3 and C-1.

¹⁶⁷ The domestic industry’s end-of-period inventories declined from *** pounds in 2019 to *** pounds in 2020, but then increased to *** pounds in 2021. CR/PR at Tables III-6 and C-1.

The domestic industry's employment indicia generally increased during the POI. The domestic industry's number of production and related workers ("PRWs"),¹⁶⁸ hours worked,¹⁶⁹ wages paid,¹⁷⁰ hourly wages,¹⁷¹ and productivity¹⁷² all increased overall from 2019 to 2021.

In terms of financial performance, the domestic industry ***. Although the domestic industry's net sales (by value) increased by *** percent from 2019 to 2021,¹⁷³ the domestic industry ***,¹⁷⁴ and therefore its operating and net income *** during 2019-2021.¹⁷⁵

While the domestic industry's research and development expenses increased by *** percent from 2019 to 2021,¹⁷⁶ its capital expenditures *** by *** percent over the course the POI.¹⁷⁷ Also, *** reported *** on investment and on growth and development due to subject imports during the POI.¹⁷⁸

In sum, the volume and market share of cumulated subject imports were significant during the POI, as were their increases. Cumulated subject imports significantly undersold the domestic like product and gained *** percentage points of market share from the domestic industry between 2019 and 2021.¹⁷⁹ As the domestic industry's market share and shipments declined over the course of the POI despite growing apparent U.S. consumption for CPMs, the domestic industry's capacity utilization, employment, revenues, and profits were ***.

¹⁶⁸ The number of PRWs rose by *** percent from 2019 to 2021, increasing from *** in 2019 to *** in 2020 and 2021. CR/PR at Tables III-7 and C-1.

¹⁶⁹ Total hours worked rose by *** percent from 2018 to 2021, increasing from *** hours in 2019 to *** hours in 2020, but then declining to *** hours in 2021. CR/PR at Tables III-7 and C-1.

¹⁷⁰ Wages paid rose by *** percent from 2019 to 2021, increasing from \$*** in 2019 to \$*** in 2020, but then declining to \$*** in 2021. CR/PR at Tables III-7 and C-1.

¹⁷¹ Hourly wages paid to PRWs rose by *** percent from 2019 to 2021, increasing from \$*** per hour in 2019 to \$*** per hour in 2020, but then declining to \$*** per hour in 2021. CR/PR at Tables III-7 and C-1.

¹⁷² Productivity rose by *** percent from 2019 to 2021, increasing from *** pounds per hour in 2019 to *** pounds per hour in 2020 and *** pounds per hour in 2021. CR/PR at Tables III-7 and C-1.

¹⁷³ By value, the domestic industry's net sales increased from \$*** in 2019 to \$*** in 2020, but then declined to \$*** in 2021. CR/PR at Table C-1.

¹⁷⁴ The domestic industry's *** were \$*** in 2019, \$*** in 2020, and \$*** in 2021. The domestic industry's operating and net income *** were *** \$*** in 2019, \$*** in 2020, and \$*** in 2021. CR/PR at Table C-1.

¹⁷⁵ As a ratio to net sales, the domestic industry's operating income was *** percent in 2019, *** percent in 2020, and *** percent in 2021. CR/PR at Table C-1. As a ratio to net sales, the domestic industry's net income was *** percent in 2019, *** percent in 2020, and *** percent in 2021. *Id.*

¹⁷⁶ The domestic industry's research and development expenses declined from \$*** in 2019 to \$*** in 2020, but then increased to \$*** in 2021. CR/PR at Table C-1.

¹⁷⁷ The domestic industry's capital expenditures declined from \$*** in 2019 to \$*** in 2020 and \$*** in 2021. CR/PR at Table C-1.

¹⁷⁸ CR/PR at Tables VI-5 & VI-6.

¹⁷⁹ CR/PR at Tables IV-7 & C-1.

Moreover, the sole domestic producer, Giorgio, reported *** on investment and on growth and development due to subject imports.¹⁸⁰ In light of these considerations, we find that cumulated subject imports had a significant impact on the domestic industry.

We have also considered the role of other factors in our assessment of injury to the domestic industry by reason of subject imports. As noted above, apparent U.S. consumption increased during the POI, so the domestic industry's condition cannot be explained by declines in demand.¹⁸¹ In addition, nonsubject imports were the smallest source of supply to the U.S. market throughout the period of investigation. As discussed above, nonsubject imports' share of apparent U.S. consumption declined from *** percent in 2019 to *** percent in 2021.¹⁸² We therefore find, for purposes of these preliminary determinations, that the substantially smaller and declining volume of nonsubject imports does not explain the domestic industry's declines in market share or poor financial performance during the POI.

Respondents argue that domestic industry was unable to supply the U.S. market during the POI due to supply constraints, including those related to downturns in the size of the crop of fresh mushrooms and Giorgio's focus on branded products rather than private label demanded by purchasers of CPMs.¹⁸³ Since Giorgio's production increased by approximately *** percent from 2019 to 2021 and Giorgio reported substantial unused capacity throughout the POI, we find that the extent and duration of any domestic industry supply constraints are unclear based on the current record.¹⁸⁴ We observe that four out of seven importers also reported having experienced supply constraints since January 1, 2019.¹⁸⁵

Moreover, information available indicates that Giorgio competed for sales of CPMs in private label over the course of the POI.¹⁸⁶ In any final phase of these investigations, we intend to examine further the issue of the domestic industry's ability to supply the market.

Respondents also argue that, since the domestic industry relies on hand-harvesting for fresh mushrooms used for CPMs while cumulated subject producers use more efficient and lower-cost mechanical harvesting, the domestic industry's higher cost structure caused material

¹⁸⁰ CR/PR at Tables VI-10-11.

¹⁸¹ CR/PR at Tables IV-7 & C-1.

¹⁸² CR/PR at Tables IV-7 & C-1. Available data in the current record indicate that AUVs for nonsubject imports were lower than AUVs for subject imports throughout the POI. CR/PR at Table C-1.

¹⁸³ See, e.g., Acme Respondents' Postconf. Br. at 9-15; HEB Postconf. Br. at 4-7; Okechamp Respondents' Postconf. Br. at 2-6.

¹⁸⁴ CR/PR at Table C-1.

¹⁸⁵ CR/PR at II-9-10.

¹⁸⁶ See, e.g., Petitioner's Postconf. Br. at 30-32.

injury.¹⁸⁷ We note, however, that cumulated subject producers' lower production costs for CPMs does not obviate our finding that low-priced cumulated subject imports had a significant adverse impact on the domestic industry.¹⁸⁸

VII. Conclusion

For the reasons stated above, we determine that there is a reasonable indication that an industry in the United States is materially injured by reason of subject imports of CPMs from France, the Netherlands, Poland, and Spain that are allegedly sold in the United States at less than fair value.

¹⁸⁷ See, e.g., Acme Respondents' Postconf. Br. at 11-13; Okechamp Respondents' Postconf. Br. at 6.

¹⁸⁸ We note that the Commission has generally rejected arguments that it should discount underselling or adverse impact by subject imports because of the lower cost of manufacturing the subject imports, noting that the statute "requires the Commission to assess whether imports are being sold by importers in the U.S. market at lower prices than the domestic like product, not to compare the cost of production of foreign producers with the cost of production in the United States." See, e.g., *Certain Polyester Staple Fiber from China*, Inv. No. 731-TA-1104 (Final), USITC Pub. 3922 259 (June 2007) at 9, n.119; *Steel Wire Garment Hangers from China*, Inv. No. 731-TA-1123 (Final), USITC Pub. 4034 (September 2008) at 19-20, n. 133.

Part I: Introduction

Background

These investigations result from petitions filed with the U.S. Department of Commerce (“Commerce”) and the U.S. International Trade Commission (“USITC” or “Commission”) by Giorgio Foods, Inc., Blandon, Pennsylvania, on March 31, 2022, alleging that an industry in the United States is materially injured and threatened with material injury by reason of less-than-fair-value (“LTFV”) imports of certain preserved mushrooms (“certain preserved mushrooms”)¹ from France, Netherlands, Poland, and Spain. Table I-1 presents information relating to the background of these investigations.^{2 3}

Table I-1
Certain preserved mushrooms: Information relating to the background and schedule of this proceeding

Effective date	Action
March 31, 2022	Petitions filed with Commerce and the Commission; institution of Commission investigations (87 FR 20460, April 7, 2022)
April 20, 2022	Commerce’s notice of initiation (87 FR 24945, April 27, 2022)
April 21, 2022	Commission’s conference
May 13, 2022	Commission’s vote
May 16, 2022	Commission’s determinations
May 23, 2022	Commission’s views

Statutory criteria

Section 771(7)(B) of the Tariff Act of 1930 (the “Act”) (19 U.S.C. § 1677(7)(B)) provides that in making its determinations of injury to an industry in the United States, the Commission--

shall consider (I) the volume of imports of the subject merchandise, (II) the effect of imports of that merchandise on prices in the United States for domestic like products, and (III) the impact of imports of such merchandise on domestic producers of domestic like products, but only in

¹ See the section entitled “The subject merchandise” in Part I of this report for a complete description of the merchandise subject in this proceeding.

² Pertinent Federal Register notices are referenced in appendix A, and may be found at the Commission’s website (www.usitc.gov).

³ A list of witnesses that appeared at the Commissions preliminary conference is presented in appendix B of this report.

the context of production operations within the United States; and. . . may consider such other economic factors as are relevant to the determination regarding whether there is material injury by reason of imports.

Section 771(7)(C) of the Act (19 U.S.C. § 1677(7)(C)) further provides that--⁴

In evaluating the volume of imports of merchandise, the Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States is significant.. . .In evaluating the effect of imports of such merchandise on prices, the Commission shall consider whether. . .(I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and (II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.. . . In examining the impact required to be considered under subparagraph (B)(i)(III), the Commission shall evaluate (within the context of the business cycle and conditions of competition that are distinctive to the affected industry) all relevant economic factors which have a bearing on the state of the industry in the United States, including, but not limited to. . . (I) actual and potential decline in output, sales, market share, gross profits, operating profits, net profits, ability to service debt, productivity, return on investments, return on assets, and utilization of capacity, (II) factors affecting domestic prices, (III) actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment, (IV) actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the domestic like product, and (V) in {an antidumping investigation}, the magnitude of the margin of dumping.

In addition, Section 771(7)(J) of the Act (19 U.S.C. § 1677(7)(J)) provides that—⁵

(J) EFFECT OF PROFITABILITY.—The Commission may not determine that there is no material injury or threat of material injury to an industry in the United States merely because that industry is profitable or because the performance of that industry has recently improved.

⁴ Amended by PL 114-27 (as signed, June 29, 2015), Trade Preferences Extension Act of 2015.

⁵ Amended by PL 114-27 (as signed, June 29, 2015), Trade Preferences Extension Act of 2015.

Organization of report

Part I of this report presents information on the subject merchandise, alleged dumping margins, and domestic like product. Part II of this report presents information on conditions of competition and other relevant economic factors. Part III presents information on the condition of the U.S. industry, including data on capacity, production, shipments, inventories, and employment. Parts IV and V present the volume of subject imports and pricing of domestic and imported products, respectively. Part VI presents information on the financial experience of U.S. producers. Part VII presents the statutory requirements and information obtained for use in the Commission's consideration of the question of threat of material injury as well as information regarding nonsubject countries.

Market summary

Certain preserved mushrooms are generally used as ingredients in prepared foods such as soups, gravies, sauces, pizzas, and entrees. The leading U.S. producer of certain preserved mushrooms is Giorgio, while leading producers of certain preserved mushrooms outside the United States include Bonduelle Long Life SAS ("Bonduelle") of France, Prochamp BV ("Prochamp") and Okechamp BV ("Okechamp") of the Netherlands, Bonduelle Poland and Okechamp S.A. of Poland, and Eurochamp S.A.T., ("Eurochamp") of Spain. The leading U.S. importers of certain preserved mushrooms from the subject countries are ***. The leading importers of certain preserved mushrooms from nonsubject countries (primarily Canada, Italy, and Vietnam) was ***. Leading purchasers of certain preserved mushrooms include ***.

Apparent U.S. consumption of certain preserved mushrooms totaled approximately *** *** in 2021. Currently, one firm is known to produce certain preserved mushrooms in the United States (Giorgio). U.S. producers' U.S. shipments of certain preserved mushrooms totaled *** *** percent of apparent U.S. consumption by pounds of drained weight and *** percent by value. U.S. imports of certain preserved mushrooms from subject sources totaled 48.5 million pounds (\$71.1 million) in 2021 and accounted for *** percent of apparent U.S. consumption by pounds of drained weight and *** percent by value. U.S. imports from nonsubject sources totaled *** *** in 2021 and accounted for *** percent of apparent U.S. consumption by pounds of drained weight and *** percent by value.

Summary data and data sources

A summary of data collected in these investigations is presented in appendix C, table C-1. Except as noted, U.S. industry data are based on questionnaire response of one firm that accounted for all known U.S. production of certain preserved mushrooms during 2021. U.S. imports are based on official U.S. import statistics and the eight U.S. importer questionnaire responses and include the following: U.S. imports of certain preserved mushrooms whether imported whole, sliced, diced, or as stems and pieces in containers under 12 ounces. Usable questionnaire responses were received from eight companies, representing *** percent of U.S. imports from France, *** percent of U.S. imports from Netherlands, *** percent of U.S. imports from Poland, *** percent of U.S. imports from Spain, and *** percent of U.S. imports from subject sources in 2021 under HTS statistical reporting numbers. The data concerning certain preserved mushrooms industry in the subject countries are based on the foreign producer/exporter questionnaire responses of six firms that account for the following; these firms' exports were equivalent to *** percent of U.S. imports of certain preserved mushrooms from France in 2021, *** percent of U.S. imports of certain preserved mushrooms from Netherlands in 2021, *** percent of U.S. imports of certain preserved mushrooms from Poland in 2021, *** percent of U.S. imports of certain preserved mushrooms from Spain in 2021. Based on estimations provided by these six firms account for the following shares of production of certain preserved mushrooms; *** of production in France, *** percent of all production in the Netherlands, *** percent of all production in Poland, and approximately *** percent of all production in Spain of certain preserved mushrooms during 2021.⁶

Previous and related investigations

Preserved mushrooms have been the subject of prior antidumping duty investigations in the United States. The Commission instituted an anti-dumping investigation on January 6, 1998, for certain preserved mushrooms from Chile, China, India, and Indonesia. Commerce initiated this investigation on February 2, 1998. On February 25, 1998, the Commission issued a preliminary determination regarding this investigation stating that there is reasonable indication that an industry in the United States is materially injured by reason of imports from Chile, China, India, and Indonesia of certain preserved mushrooms. On August 5, 1998, Commerce determined that certain preserved mushrooms from Chile, the People's Republic of

⁶ Foreign producer questionnaire responses, sections II-6a and II-6b.

China, India, and Indonesia are being, or are likely to be, sold in the United States at less than fair value. On October 22, 1998, Commerce determined that certain preserved mushrooms from Chile are being sold in the United States at less than fair value. The Commission determined on November 27, 1998, that an industry in the United States is materially injured by reason of imports from Chile of certain preserved mushrooms. Commerce issued the antidumping duty order on December 2, 1998. On December 31, 1998, Commerce determined that certain preserved mushrooms from the People's Republic of China, India, and Indonesia are being sold in the United States at less than fair value.

After a full five-year review, the Commission determined on October 26, 2004, that revocation of the antidumping duty orders on certain 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. On November 17, 2004, Commerce determined that revocation of the antidumping duty orders on certain preserved mushrooms ("mushrooms") from Chile, the People's Republic of China ("China"), India, and Indonesia, would likely lead to continuation or recurrence of dumping.

On April 15, 2010, the Commission, after a second five-year review, determined that revocation of the antidumping duty orders on mushrooms from Chile, India, Indonesia, and the PRC would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time and Commerce reached the same conclusion on April 28, 2010.

During the third five-year review, Commerce and the Commission determined that revocation of the antidumping duty orders on certain preserved mushrooms from Chile, India, Indonesia and the People's Republic of China would likely lead to a continuation or recurrence of dumping and material injury to an industry in the United States.

After the fourth five-year review, the Commission determined on March 5, 2021, that that revocation of the AD orders on mushrooms from Chile, India, Indonesia, and China would likely lead to a continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. On March 12, 2021, Commerce determined that revocation of the antidumping duty orders on certain preserved mushrooms from Chile, India, Indonesia, and the People's Republic of China would likely lead to a continuation or recurrence of dumping and material injury to an industry in the United States.

Nature and extent of alleged subsidies and sales at LTFV

Alleged sales at LTFV

On April 27, 2022, Commerce published a notice in the Federal Register of the initiation of its antidumping duty investigations on certain preserved mushrooms from France, the Netherlands, Poland and Spain.⁷ Commerce has initiated antidumping duty investigations based on estimated dumping margins of 124.41 percent to 360.88 percent for certain preserved mushrooms from France, 120.88 percent to 146.59 percent for certain preserved mushrooms from the Netherlands, 20.07 percent to 30.01 percent for certain preserved mushrooms from Poland, and 17.21 percent to 156.59 percent for certain preserved mushrooms from Spain.

The subject merchandise

Commerce's scope

In the current proceeding, Commerce has defined the scope as follows:⁸

The merchandise covered by these investigations is certain preserved mushrooms, whether imported whole, sliced, diced, or as stems and pieces. The preserved mushrooms covered under these investigations are the genus Agaricus. "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 heat sterilized in containers each holding a net drained weight of not more than 12 ounces (340.2 grams), 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.

Excluded from the scope are "marinated," "acidified," or "pickled" mushrooms, which are prepared or preserved by means of vinegar or acetic acid, but may contain oil or other additives. To be prepared or preserved by means of vinegar or acetic acid, the merchandise must be a minimum 0.5 percent by weight acetic acid.

The merchandise subject to these investigations is classifiable under subheadings 2003.10.0127, 2003.10.0131, and 2003.10.0137 of the Harmonized Tariff Schedule of the United States (HTSUS). The subject

⁷ 87 FR 24945, April 27, 2022.

⁸ 87 FR 24945, April 27, 2022

merchandise may also be classified under HTSUS subheadings 2003.10.0143, 2003.10.0147, and 2003.10.0153. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise under investigation is dispositive.

Tariff treatment

Based upon the scope set forth by Commerce, information available to the Commission indicates that the merchandise subject to these investigations are primarily imported under statistical reporting numbers 2003.10.0127, 2003.10.0131, and 2003.10.0137 of the Harmonized Tariff Schedule of the United States (“HTS”). Subject merchandise may also be imported under 2003.10.0143, 2003.10.0147, and 2003.10.053. The 2022 general rate of duty is \$0.06 per kilogram on drained weight plus 8.5 percent ad valorem for HTS subheading 2003.10.01. Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

The product

Description and applications

Certain preserved mushrooms are a type of processed mushroom product made from mushrooms in the genus *Agaricus*. Mushrooms, typically white button but also brown crimini or portabella, are packed in cans or jars with water, brine, or butter and sterilized using high temperatures. The mushrooms can be preserved whole, sliced, or as stems and pieces; the main form in the U.S. market is stems and pieces. Preserved mushrooms, which are tan or grey, tender, and slightly salty, are typically used as ingredients in other foods like sauces, soups, pizzas, and gravies. Cans and jars of certain preserved mushrooms are shelf-stable and have a shelf-life of three years.⁹

The in-scope size of cans and jars each hold not more than 340.2 grams or 12 ounces (oz) of preserved mushrooms and sold in retail channels under branded and private labels for consumption at home.¹⁰ The main retail-sized containers of certain preserved mushrooms are 4 and 8 oz cans and 4.5 and 6 oz jars, though there are out-of-scope 16 oz cans available in the

⁹ Petition p 6.

¹⁰ Petition, p 6.

retail market.¹¹ Certain preserved mushrooms in jars are generally a higher quality, premium product compared with canned mushrooms that are either whole or sliced, rather than in the form of stems and pieces.¹² Demand for certain preserved mushrooms increased over the POI in large part due to the COVID-19 pandemic as consumers prepared more food at home.¹³

Manufacturing processes

Certain preserved mushrooms are made from upstream, out-of-scope, fresh *Agaricus* mushrooms. U.S. mushroom growers focus on and sell the majority of production in the fresh market, whereas the share of mushroom production sold for processing in the United States ranged from 7 to 17 percent annually over the POI.¹⁴ The mushrooms sold for processing typically do not meet the appearance and quality needed for the fresh market and therefore are sold for approximately half the price than mushrooms in the fresh market.¹⁵ To preserve the fresh-market-quality of the mushrooms, nearly all mushrooms grown in the United States are harvested by hand, where the extra labor costs are compensated for higher returns in the fresh market.¹⁶ In other countries, such as Poland, Spain, and the Netherlands, mushroom growers focus production on either the processing or the fresh markets.¹⁷ This allows growers producing for the processing market to lower labor costs by mechanically harvesting mushrooms resulting in lower raw mushroom costs for processors.¹⁸

¹¹ Conference transcript, p 17 (Loiseau); see Walmart.com “Hanover Domestic Mushrooms Pieces Stems, 16 Oz,” <https://www.walmart.com/ip/Hanover-Domestic-Mushrooms-Pieces-Stems-16-Oz/32174582>.

¹² Conference, p. 111-112 (Loiseau).

¹³ Conference, p. 62 (Loiseau); Petitioner’s post-conference brief, p 13-14; STR Respondents’ post-conference brief, p. 4-6; HEB’s post-conference brief, p 4; Coalition of Exporters’ post-conference brief, p 5.

¹⁴ USDA, NASS, Agaricus Production, Agaricus Processing Sales, accessed April 19, 2022.

¹⁵ The average price received for raw processing mushrooms over the POI was \$0.70 per lb compared with \$1.39 for fresh mushrooms. USDA, NASS, Agaricus Processing Price Received, Agaricus Fresh Price Received, accessed April 19, 2022.

¹⁶ Morris, “The one tiny region that produces nearly half...” May 16, 2014, <https://modernfarmer.com/2014/05/welcome-mushroom-country-population-nearly-half-u-s-mushrooms/>; Conference, p 102 (Loiseau); STR Respondents’ post-conference brief, p 11.

¹⁷ Kekkilä-BVB, “Futuristic fungiculture in the Netherlands,” February 17, 2022, <https://www.kekkila-bvb.com/article/futuristic-fungiculture-in-the-netherlands/>; MushroomForum, “The Spanish mushroom industry restarts,” September 10, 2021, <https://www.gombaforum.hu/en/2021/gazdasag/ujraindul-a-spanyol-gombaipar/>; STR Respondents’ post-conference brief, p 11-14; Coalition of Foreign Producers’ post-conference brief, p 7.

¹⁸ Kekkilä-BVB, “Futuristic fungiculture in the Netherlands,” February 17, 2022, <https://www.kekkila-bvb.com/article/futuristic-fungiculture-in-the-netherlands/>; STR Respondents’ post-conference brief, p 11-14; Coalition of Foreign Producers’ post-conference brief, p 6-7.

In 2021, the United States grew 394 million pounds of *Agaricus* mushrooms, a 50 percent decrease over the prior year and a 52 percent decrease over the POI. Despite this decrease, the number of mushrooms sold for processing increased by 2.3 million pounds over the POI to 66.7 million pounds in 2021. Mushrooms are grown indoors in highly controlled growing environments allowing for steady production throughout the year, with no seasonal break in many locations, including the United States.¹⁹ However, in Spain, mushroom growing operations focused on supplying the processing industry stop mushroom production between mid-June to mid-September due to prohibitively high cooling costs, resulting in Spanish processors halting production of processed mushroom products.²⁰ Despite reports of labor shortages and scarce inputs in the U.S. mushroom industry leading to unharvested mushrooms and lower yields, preserved mushroom producers in the United States report there are no raw mushroom supply issues.²¹

To make certain preserved mushrooms, raw mushrooms are cleaned and cooked quickly by blanching in hot water within 24 hours of harvest. Next, the mushrooms are sliced as needed depending on the form of the final product, dewatered and checked for any foreign metal material using metal detectors. The final steps involve filling the cans or jars with mushrooms, checking the weight, adding additional ingredients such as water, brine, and preservatives, and then vacuum sealing the container and heat sterilizing it. This general process is the same regardless of the size of the can or jar.²² Foreign producers indicate they have developed advanced machinery and production lines such as belt blanchers and coolers and a vacuum transport system for blanched and sliced mushrooms.²³ The U.S. industry reports that they cannot make larger sized cans of preserved mushrooms on the same manufacturing lines, while

¹⁹ Morris, "The one tiny region that produces nearly half..." May 16, 2014, <https://modernfarmer.com/2014/05/welcome-mushroom-country-population-nearly-half-u-s-mushrooms/>; Kekkilä-BVB, "Futuristic fungiculture in the Netherlands," February 17, 2022, <https://www.kekkila-bvb.com/article/futuristic-fungiculture-in-the-netherlands/>; Conference, p 101 (Loiseau).

²⁰ MushroomForum, "The Spanish mushroom industry restarts," September 10, 2021, <https://www.gombaforum.hu/en/2021/gazdasag/ujraindul-a-spanyol-gombaipar/>.

²¹ Bradham, "Labor shortage forces Pennsylvania mushroom farms to dump crops," June 25, 2021, <https://www.bloomberg.com/news/newsletters/2021-06-25/labor-shortage-forces-pennsylvania-mushroom-farms-to-dump-crops>; Produce News, "Short supply of mushrooms this holiday season," October 27, 2021, <https://theproducenews.com/mushrooms/short-supply-mushrooms-holiday-season>; STR Respondents' post-conference brief, Exhibit 7; Conference, p 41, 45, 109-110 (Loiseau).

²² Petition, p 7.

²³ Coalition of Foreign Producers' post-conference brief, p 7.

Polish, Dutch, and Spanish producers report that they can easily switch can sizes, including larger can sizes.²⁴

Domestic like product issues

No issues with respect to domestic like product have been raised in these investigations. The petitioner proposes one domestic like product that is coextensive with the proposed scope of these investigations. Respondents did not contest the petitioners one like product definition, but indicated that they took no position on the petitioner's definition of the scope.²⁵ Appendix D presents a summary of U.S. producers' and U.S. importers' responses on the comparability of certain preserved mushrooms (retail) compared to preserved mushrooms (for industrial food service) and full narrative responses to the questions on the comparability of these products.

²⁴ Conference, p 11 (Loiseau); Petitioner's post-conference brief, p 6-7; Coalition of Foreign Producers' post-conference brief, p 3-4.

²⁵ U.S. importers' postconference brief, p. 3.

Part II: Conditions of competition in the U.S. market

U.S. market characteristics

Certain preserved mushrooms are sold to industrial users, food service customers, and retailers. Industrial users such as frozen-food manufacturers purchase large quantities that they use in producing packaged foods. Food service customers include restaurant and institutional customers as well as distributors to such firms. Retail customers mainly consist of grocery stores or discount stores that also sell groceries. Retail users purchase small containers: 4- and 8- ounce cans or jars of drained weight of certain preserved mushrooms.

Certain preserved mushrooms are sold as whole mushrooms, sliced mushrooms, or as stems and pieces. Whole mushrooms are mainly sold to retailers and are usually small, attractive, and of uniform size. Sliced mushrooms also must be made of small, attractive, and uniform sized-mushrooms and must show a complete silhouette of the mushroom. Sliced and whole mushrooms may be sold in glass jars as well as cans. Stems and pieces account for *** percent of the entire U.S. market and *** percent of sales to food service and industrial customers. Stems and pieces are typically sold in cans, not in glass jars. Lower-quality mushrooms, such as broken or more mature mushrooms, are used for stems and pieces.¹

U.S. producers² sell not only certain preserved mushrooms but also produce and sell other forms of mushrooms including packaged fresh whole or sliced mushrooms as well as products containing mushrooms.³

Subject imports comprised *** percent of the value of the U.S. market in 2021, domestic producers' shipments comprised *** percent of the U.S. market, and nonsubject imports were *** percent. Apparent U.S. consumption of certain preserved mushrooms increased during 2019-2021. Overall, apparent U.S. consumption in 2021 was *** percent higher than in 2019.

Channels of distribution

The *** U.S. producer sold *** products mostly to *** with a majority of products being ***. Importers sold the majority of subject imports were private label products to retailers, as shown in table II-1. *** shipments of imports from

¹ *Certain Preserved Mushrooms from Chile, China, India, and Indonesia*. Inv. Nos. 731-TA-776-779 (Review), October 2004, pp. II-1–II-2.

² In these preliminary investigations, *** was the *** producer that sent in a questionnaire representing *** of the domestic industry.

³ Petitioners postconference brief, pp. 16-17.

France were private label sold to retail. Shipments of private label imports from *** to distributors fluctuated over the period, and private label imports from *** sold to distributors decreased during the period.

Table II-1
Certain preserved mushrooms: Share of U.S. shipments by source, channel of distribution, branding, and period, 2019-2021

Shares in percent

Source	Channel	Branding	2019	2020	2021
United States	Distributors	Branded	***	***	***
United States	Distributors	Private label	***	***	***
United States	Retailers	Branded	***	***	***
United States	Retailers	Private label	***	***	***
United States	Other end users	Branded	***	***	***
United States	Other end users	Private label	***	***	***
France	Distributors	Branded	***	***	***
France	Distributors	Private label	***	***	***
France	Retailers	Branded	***	***	***
France	Retailers	Private label	***	***	***
France	Other end users	Branded	***	***	***
France	Other end users	Private label	***	***	***
Netherlands	Distributors	Branded	***	***	***
Netherlands	Distributors	Private label	***	***	***
Netherlands	Retailers	Branded	***	***	***
Netherlands	Retailers	Private label	***	***	***
Netherlands	Other end users	Branded	***	***	***
Netherlands	Other end users	Private label	***	***	***
Poland	Distributors	Branded	***	***	***
Poland	Distributors	Private label	***	***	***
Poland	Retailers	Branded	***	***	***
Poland	Retailers	Private label	***	***	***
Poland	Other end users	Branded	***	***	***
Poland	Other end users	Private label	***	***	***

Table continued on next page.

Table II-1 Continued

Certain preserved mushrooms: Share of U.S. shipments by source, channel of distribution, branding, and period, 2019-2021

Shares in percent

Source	Channel	Branding	2019	2020	2021
Spain	Distributors	Branded	***	***	***
Spain	Distributors	Private label	***	***	***
Spain	Retailers	Branded	***	***	***
Spain	Retailers	Private label	***	***	***
Spain	Other end users	Branded	***	***	***
Spain	Other end users	Private label	***	***	***
Subject	Distributors	Branded	***	***	***
Subject	Distributors	Private label	***	***	***
Subject	Retailers	Branded	***	***	***
Subject	Retailers	Private label	***	***	***
Subject	Other end users	Branded	***	***	***
Subject	Other end users	Private label	***	***	***
Nonsubject	Distributors	Branded	***	***	***
Nonsubject	Distributors	Private label	***	***	***
Nonsubject	Retailers	Branded	***	***	***
Nonsubject	Retailers	Private label	***	***	***
Nonsubject	Other end users	Branded	***	***	***
Nonsubject	Other end users	Private label	***	***	***
All imports	Distributors	Branded	***	***	***
All imports	Distributors	Private label	***	***	***
All imports	Retailers	Branded	***	***	***
All imports	Retailers	Private label	***	***	***
All imports	Other end users	Branded	***	***	***
All imports	Other end users	Private label	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Geographic distribution

The sole U.S. producer reported selling certain preserved mushrooms to *** and most importers reported selling certain preserved mushrooms to all regions in the contiguous United States (table II-2). For the U.S. producer, *** percent of sales were within 100 miles of their production facility, *** percent were between 101 and 1,000 miles, and *** percent were over 1,000 miles. Importers sold *** percent within 100 miles of their U.S. point of shipment, *** percent between 101 and 1,000 miles, and *** percent over 1,000 miles.

Table II-2
Certain preserved mushrooms: Count of U.S. producers' and U.S. importers' geographic markets

Count in number of firms reporting

Region	U.S. producer	France	Netherlands	Poland	Spain	Subject sources
Northeast	***	2	6	3	4	8
Midwest	***	2	5	4	3	7
Southeast	***	1	4	3	3	6
Central Southwest	***	2	5	3	4	7
Mountains	***	1	2	2	2	4
Pacific Coast	***	3	5	3	4	7
Other	***	0	0	0	1	1
All regions (except Other)	***	0	1	1	2	3
Reporting firms	***	3	6	4	4	8

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Other U.S. markets include AK, HI, PR, and VI.

Supply and demand considerations

U.S. supply

Table II-3 provides a summary of the supply factors regarding certain preserved mushrooms from the U.S. producer and from subject countries. Responding foreign producers in *** have decreased their capacity to produce certain preserved mushrooms. The sole U.S. producer's overall capacity was much higher than that of ***, and the U.S. producer's capacity utilization levels were lower than that of *** but higher than that of **. The U.S. producer's capacity utilization increased over the period but remained *** than that of subject countries. *** of the U.S. producer's shipments went to the domestic market. Most *** producers' shipments were to their home market, while most other foreign producers' shipments were to non-U.S. export markets. *** reported *** that are outside the scope of this investigation. Of the responding foreign producers, Polish producer *** reported being able to switch to producing ***, Dutch producer *** and Polish producer *** reported being able to produce ***.

Table II-3**Certain preserved mushrooms: Supply factors that affect the ability to increase shipments to the U.S. market, by country**

Quantity in 1,000 pounds drained weight; ratios and shares in percent; Count in number of firms reporting

Factor	Measure	United States	France	Netherlands	Poland	Spain	Subject sources
Capacity 2019	Quantity	***	***	***	***	***	235,248
Capacity 2021	Quantity	***	***	***	***	***	284,326
Capacity utilization 2019	Ratio	***	***	***	***	***	77.4
Capacity utilization 2021	Ratio	***	***	***	***	***	80.4
Ending inventories 2019	Ratio	***	***	***	***	***	21.2
Ending inventories 2021	Ratio	***	***	***	***	***	19.3
Home market 2021	Share	***	***	***	***	***	34.6
Non-US export markets 2021	Share	***	***	***	***	***	49.3
Ability to shift production	Count	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Responding U.S. producers accounted for virtually all of U.S. production of certain preserved mushrooms in 2021. Responding foreign producer/exporter firms accounted for more than half of U.S. imports of certain preserved mushrooms from France, Netherlands, Poland, and Spain during 2021. For additional data on the number of responding firms and their share of U.S. production and of U.S. imports from each subject country, please refer to Part I, "Summary Data and Data Sources."

Domestic production

Based on available information, the U.S. producer of certain preserved mushrooms has the ability to respond to changes in demand with large changes in the quantity of shipments of U.S.-produced certain preserved mushrooms to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the availability of unused capacity, relatively large inventories, and ability to shift production to or from alternate products.

Of the three previously known producers of smaller 4 and 8 oz certain preserved mushrooms, Monterey Mushrooms closed its production facility in 2019, and Sunny Dell Foods reduce its operation; making *** the *** producer of certain preserved mushrooms.⁴ The single reporting U.S. producer's, ***, capacity *** from 2019 to 2021. Other products that producers reportedly can produce on the same equipment as certain preserved mushrooms are other ***.

Domestic capacity utilization increased from *** percent to *** percent from 2019-2021, by *** percentage points. This *** of capacity utilization suggests that the U.S. producer may have a large ability to increase production of certain preserved mushrooms in

⁴ Conference transcript (Mr. Loiseau), pp. 10-14.

response to an increase in prices, but this also depends on the ***.⁵

The U.S. producer's inventories ratio to total shipments increased by *** percentage points over 2019-2022, from *** percent to *** percent. These inventory levels suggest that U.S. producer has the ability to respond to changes in demand with changes in the quantity shipped from inventories.

U.S. Producer *** described its capacity being limited by ***, stating that ***.⁶

Subject imports from France

Based on available information, the responding producer of certain preserved mushrooms from France has the ability to respond to changes in demand with moderate-to-large changes in the quantity of shipments of certain preserved mushrooms to the U.S. market. The main contributing factors to this degree of responsiveness of supply are some availability of unused capacity, limited alternate markets other than the United States and France, some inventories, and an ability to produce alternate products.

According to data submitted in the responding French producer's questionnaire, the French producer's capacity utilization reached *** percent in 2021, indicating a moderate ability to increase production of certain preserved mushrooms in response to an increase in prices.⁷ Additionally, French inventories relative to total shipments were *** percent in 2021, indicating a somewhat limited ability to respond to changes in prices with increased shipments from inventory.

*** of French production (*** percent) went to the French home market with about *** percent exported to the United States and *** percent exported to other markets, indicating that the producer has a relatively limited ability to shift export shipments from third countries to the United States in response to an increase in U.S. prices. The French producer indicated that it *** switch to producing *** along with ***.

⁵ Conference transcript (Mr. Loiseau), pp. 101-102.

⁶ Conference transcript (Mr. Loiseau), p. 15.

⁷ French foreign producer *** did not start processing certain preserved mushrooms until ***.

Subject imports from Netherlands

Based on available information, producers of certain preserved mushrooms from Netherlands have the ability to respond to changes in demand with moderate-to-large changes in the quantity of shipments of certain preserved mushrooms to the U.S. market. The main contributing factors to this degree of responsiveness of supply are relatively limited unused capacity, the existence of alternate markets, and some available inventory.

According to data submitted by Netherland producers, capacity decrease rose by *** percentage points over 2019-21, with capacity utilization rising from *** to *** percent. While capacity utilization is relatively high, the ability to increase and reduce production each year suggests that Dutch producers have some ability to respond to changes in price with increased production. Dutch exports to the United States made up *** percent of total Dutch shipments in 2021. Over 2019-2021, *** percent of Dutch producers' shipments went to their home market while *** percent went to third-country markets. The large share of shipments to third-country markets suggests that Dutch producers have the ability to shift sales to the U.S. market if U.S. prices increase. Dutch producers indicated that they could shift their certain preserved mushrooms production to another product, with *** citing *** and Dutch producer *** stating it could produce ***.

Subject imports from Poland

Based on available information, Polish producers of certain preserved mushrooms have the ability to respond to changes in demand with moderate-to-large changes in the quantity of shipments of certain preserved mushrooms to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the ability to shift shipments from alternate markets and production from alternate products. Factors mitigating responsiveness include relatively limited availability of unused capacity and inventories.

The Polish producers increased capacity utilization from *** percent in 2019 to *** in 2020, although capacity utilization decreased back to *** percent in 2021. Inventories also fell during this period from *** percent of total shipments to *** percent of total shipments. This overall increase in capacity along with a decrease in inventory may indicate that Polish producers have some ability to respond to changes in price with changes in production.

During 2019-21, the Polish producers shipped over *** percent of certain preserved mushrooms to non-U.S. export markets indicating that they would likely have the ability to respond to changes in U.S. prices with increased shipments to the United States.

One Polish producer indicated that it *** with the equipment it uses to produce certain preserved mushrooms.

Subject imports from Spain

Based on available information, producers of certain preserved mushrooms from Spain have the ability to respond to changes in demand with moderate-to-large changes in the quantity of shipments of certain preserved mushrooms to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the moderate capacity utilization rates, the existence of alternate markets, and *** inventory levels only constrained by their moderate capacity utilization.

The Spanish producer's capacity *** during 2019-21. Capacity utilization was usually above *** percent during the same period. Between 2019 and 2020, capacity utilization rose from *** percent to *** percent before falling back to *** percent in 2021. The capacity utilization increases and decreases indicate the potential to increase production in response to changes in price.

During 2019–2021, the responding Spanish producer shipped *** of its shipments to its home market in 2019 and 2020. In 2021, Spanish shipments to home markets *** percent with *** percent going to the United States and *** percent to non-U.S. export markets. Spanish producer indicated that it is *** to switch production of certain preserved mushrooms to alternative productions.

Imports from nonsubject sources

Nonsubject imports accounted for approximately 4.0 percent of total U.S. imports in 2021, according to official statistics. The largest sources of nonsubject imports during January 2019-December 2021 were Canada, Indonesia, and Taiwan. Combined, these countries accounted for about 71.3 percent of nonsubject imports in 2021.

Supply constraints

The U.S. producer *** supply constraints since January 1, 2019, and most (4 of 7) responding importers reported that they had experienced supply constraints. U.S. producer *** stated *** or ***. Importers described COVID-related supply chain delays in suppliers' ability to produce enough to meet demand, suppliers' ability to ship in a timely manner, ocean freight delays, and limited container

availability. Importer *** adds that there were periodic stock outages due to increased demand and raw material shortages, and importer *** cited shortages due to bottlenecks at the ports.

U.S. demand

Based on available information, the overall demand for certain preserved mushrooms is likely to experience moderate changes in response to changes in price. The main contributing factor is that certain preserved mushrooms are a final good sold to the ultimate consumer and there are no substitutes for certain preserved mushrooms.⁸ Additionally, recent awareness of the health benefits of mushrooms have increased their demand and popularity.⁹ However, certain preserved mushrooms are not an essential food staple, and if the price of certain preserved mushrooms increases too much, then demand could fall.

Business cycles

Three of eight importers indicated that the market was subject to business cycles or conditions of competition. Specifically, importers *** and *** stated that they experience slightly higher demand in preparation for the yearend holiday season, and *** added that there are increased sales during Easter.

Demand trends

A plurality of importers reported an increase in U.S. demand for certain preserved mushrooms since January 1, 2019, while the U.S. producer reported ***. (table II-4). U.S. producer *** reported *** demand due to an increase during the pandemic in 2020 but reported that demand has now normalized without disruptions.¹⁰ Importers *** and *** indicated that there was a demand increase domestically and internationally, mostly in the retail sizes, due to more families cooking from home during COVID-19 pandemic.

⁸ Conference transcript (Mr. Loiseau) p. 10.

⁹ HEB postconference brief, p. 4.

¹⁰ Conference transcript (Mr. Loiseau) p. 62.

Table II-4
Certain preserved mushrooms: Count of firms' responses regarding overall domestic and foreign demand, by firm type

Count in number of firms reporting

Market	Firm type	Increase	No change	Decrease	Fluctuate
Domestic demand	U.S. producer	***	***	***	***
Domestic demand	Importers	4	2	1	1
Foreign demand	U.S. producer	***	***	***	***
Foreign demand	Importers	3	2	1	0

Source: Compiled from data submitted in response to Commission questionnaires.

Substitute products

Potential substitutes for certain preserved mushrooms in this size category mainly include other forms of mushrooms. Mushroom purchasers choose between fresh, preserved, and, to a lesser extent, frozen and dried mushrooms.¹¹ The size of the containers is optimized for end use by consumers for single use in-home cooking.¹² However, the U.S. producer reported that there *** for certain preserved mushrooms and importers reported that there were no substitutes.

Substitutability issues

This section assesses the degree to which U.S.-produced certain preserved mushrooms and imports of certain preserved mushrooms from subject countries can be substituted for one another by examining the importance of certain purchasing factors and the comparability of certain preserved mushrooms from domestic and imported sources based on those factors. Based on available data, staff believes that there is a moderate-to-high degree of substitutability between domestically produced certain preserved mushrooms and certain preserved mushrooms imported from subject sources.¹³ Factors contributing to this level of substitutability include similar quality, lead times for certain preserved mushrooms from inventory, little preference for particular country of origin or producers, interchangeability

¹¹ *Certain Preserved Mushrooms from Chile, China, India, and Indonesia*. Inv. Nos. 731-TA-776-779 (Review), October 2004, pp. II-10.

¹² Petitioner postconference brief p. 5.

¹³ The degree of substitution between domestic and imported certain preserved mushrooms depends upon the extent of product differentiation between the domestic and imported products and reflects how easily purchasers can switch from domestically produced certain preserved mushrooms to the certain preserved mushrooms imported from subject countries (or vice versa) when prices change. The degree of substitution may include such factors as relative prices (discounts/rebates), quality differences (e.g., grade standards, defect rates, etc.), and differences in sales conditions (e.g., lead times between order and delivery dates, reliability of supply, product services, etc.).

between domestic and subject sources, similarities between domestically produced certain preserved mushrooms and certain preserved mushrooms imported from subject countries, and limited significant factors other than price. Factors reducing substitutability include some reports of limited domestic availability and purchaser preferences for certain preserved mushrooms from certain subject sources over other sources.

Factors affecting purchasing decisions

Purchasers responding to lost sales lost revenue allegations¹⁴ were asked to identify the main purchasing factors their firm considered in their purchasing decisions for certain preserved mushrooms. The major purchasing factors identified by firms include quality, customer demand, price or cost, and availability. Purchasers *** and *** also stated having separate suppliers for national brand and private label programs in order to ensure supply stability.

Most important purchase factors

The most often cited top three factors’ firms consider in their purchasing decisions for certain preserved mushrooms were quality (all four firms), price/cost (three firms), and availability (one firm) as shown in table II-5. Quality was the most frequently cited first-most important factor (cited by two firms), followed by availability/supply (one firm); price/cost and quality were the most frequently reported second-most important factor (one firm each); and price/cost was the most frequently reported third-most important factor (three firms).

Table II-5
Certain preserved mushrooms: Count of ranking of factors used in purchasing decisions as reported by purchasers, by factor

Count in number of firms reporting

Factor	First	Second	Third	Total
Quality	2	1	1	4
Price / Cost	0	1	3	3
Availability / Supply	1	0	0	1
All other factors	1	2	0	3

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Other factors include private label programs and national branding.

¹⁴ This information is compiled from responses by purchasers identified by Petitioners to the lost sales lost revenue allegations. See Part V for additional information.

Lead times

The U.S. producer reported that *** percent of their certain preserved mushrooms are sold from inventory with lead times averaging *** days. Importers reported that 37.6 percent of their sales were from U.S. inventories, 23.4 percent were from foreign inventories, and 39.0 percent were produced to order. When certain preserved mushrooms are sourced from U.S. inventories, importers reported lead times averaging 13.4 days. For certain preserved mushrooms sourced from foreign inventories, importers reported lead times averaging 84.3 days. For certain preserved mushrooms that were produced-to-order, importers reported lead times averaging 55.7 days.

Changes in purchasing patterns

Purchasers were asked about changes in their purchasing patterns from different sources since 2019 (table II-6); reasons reported for changes in sourcing included meeting higher consumer demand from the COVID pandemic and covering domestic supply shortages.

Table II-6
Certain preserved mushrooms: Count of purchasers' responses regarding changes in purchase patterns from U.S., subject, and nonsubject countries

Count in number of firms reporting

Source of purchases	Decreased	Increased	Constant	Fluctuated	Did not purchase
United States	0	0	1	2	0
France	1	0	0	0	2
Netherlands	0	2	0	1	0
Poland	0	1	0	0	2
Spain	0	1	0	0	2
Nonsubject sources	0	1	0	0	2
Sources unknown	0	0	0	1	2

Source: Compiled from data submitted in response to Commission questionnaires.

Comparison of U.S.-produced and imported certain preserved mushrooms

In order to determine whether U.S.-produced certain preserved mushrooms can generally be used in the same applications as imports from France, Netherlands, Poland, and Spain, the U.S. producer and importers were asked whether the products can always, frequently, sometimes, or never be used interchangeably. As shown in tables II-7 to II-8, the U.S. producer reported that certain preserved mushrooms are *** interchangeable. A large majority of importers reported that domestic and imported certain preserved mushrooms are “always” or “sometimes” interchangeable. Importer *** states that Spanish

products are considered premium quality as they are hand cut as opposed to machine-cut. Importer *** reports that customers request specific imported product and importer *** states that imports allow for more variables of canned mushrooms.

Table II-7
Certain preserved mushrooms: Count of U.S. producers reporting the interchangeability between product produced in the United States and in other countries, by country pair

Count in number of firms reporting

Country pair	Always	Frequently	Sometimes	Never
United States vs. France	***	***	***	***
United States vs. Netherlands	***	***	***	***
United States vs. Poland	***	***	***	***
United States vs. Spain	***	***	***	***
France vs. Netherlands	***	***	***	***
France vs. Poland	***	***	***	***
France vs. Spain	***	***	***	***
Netherlands vs. Poland	***	***	***	***
Netherlands vs. Spain	***	***	***	***
Poland vs. Spain	***	***	***	***
United States vs. Other	***	***	***	***
France vs. Other	***	***	***	***
Netherlands vs. Other	***	***	***	***
Poland vs. Other	***	***	***	***
Spain vs. Other	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Table II-8

Certain preserved mushrooms: Count of importers reporting the interchangeability between product produced in the United States and in other countries, by country pair

Count in number of firms reporting

Country pair	Always	Frequently	Sometimes	Never
United States vs. France	***	***	***	***
United States vs. Netherlands	***	***	***	***
United States vs. Poland	***	***	***	***
United States vs. Spain	***	***	***	***
France vs. Netherlands	***	***	***	***
France vs. Poland	***	***	***	***
France vs. Spain	***	***	***	***
Netherlands vs. Poland	***	***	***	***
Netherlands vs. Spain	***	***	***	***
Poland vs. Spain	***	***	***	***
United States vs. Other	***	***	***	***
France vs. Other	***	***	***	***
Netherlands vs. Other	***	***	***	***
Poland vs. Other	***	***	***	***
Spain vs. Other	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

In addition, U.S. producers and importers were asked to assess how often differences other than price were significant in sales of certain preserved mushrooms from the United States, subject countries, or nonsubject countries. As seen in tables II-9 to II-10, U.S. producer reported that factors other than price were *** significant between domestic, subject, and nonsubject countries. Most importers reported that factors other than price were never or frequently significant for all country pairs except for being sometimes significant between the France and the Netherlands (two importers).

Table II-9

Certain preserved mushrooms: Count of U.S. producers reporting the significance of differences other than price between product produced in the United States and in other countries, by country pair

Count in number of firms reporting

Country pair	Always	Frequently	Sometimes	Never
United States vs. France	***	***	***	***
United States vs. Netherlands	***	***	***	***
United States vs. Poland	***	***	***	***
United States vs. Spain	***	***	***	***
France vs. Netherlands	***	***	***	***
France vs. Poland	***	***	***	***
France vs. Spain	***	***	***	***
Netherlands vs. Poland	***	***	***	***
Netherlands vs. Spain	***	***	***	***
Poland vs. Spain	***	***	***	***
United States vs. Other	***	***	***	***
France vs. Other	***	***	***	***
Netherlands vs. Other	***	***	***	***
Poland vs. Other	***	***	***	***
Spain vs. Other	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Table II-10
Certain preserved mushrooms: Count of importers reporting the significance of differences between product produced in the United States and in other countries, by country pair

Count in number of firms reporting

Country pair	Always	Frequently	Sometimes	Never
United States vs. France	1	2	0	0
United States vs. Netherlands	1	2	1	0
United States vs. Poland	1	2	0	0
United States vs. Spain	1	2	1	0
France vs. Netherlands	0	1	2	2
France vs. Poland	0	1	1	2
France vs. Spain	0	1	1	2
Netherlands vs. Poland	0	1	1	2
Netherlands vs. Spain	0	1	1	2
Poland vs. Spain	0	1	0	2
United States vs. Other	0	1	0	0
France vs. Other	0	1	0	0
Netherlands vs. Other	0	1	0	0
Poland vs. Other	0	1	0	0
Spain vs. Other	0	1	0	0

Source: Compiled from data submitted in response to Commission questionnaires.

Part III: U.S. producer’s production, shipments, and employment

The Commission analyzes a number of factors in making injury determinations (see 19 U.S.C. §§ 1677(7)(B) and 1677(7)(C)). Information on the dumping margins was presented in Part I of this report and information on the volume and pricing of imports of the subject merchandise is presented in Part IV and Part V. Information on the other factors specified is presented in this section and/or Part VI and (except as noted) is based on the questionnaire responses of two firms that accounted for the vast majority of U.S. production of certain preserved mushrooms during 2021.

U.S. producers

The Commission issued a U.S. producer questionnaire to five firms based on information contained in the petition. One firm provided usable data on their operations.^{1 2} Staff believes that these responses represent the vast majority of U.S. production of certain preserved mushrooms.³

¹ Sunny Dell Food LLC submitted questionnaire responses with data that was incomplete. Their reported capacity of certain preserved mushrooms for 2021 was *** pounds drained weight and production of in-scope certain preserved mushrooms for 2021 was ***. Sunny Dell reported U.S. commercial shipments quantity was *** pounds drained weight and commercial shipment value of ***. Sunny Dell reported in their questionnaire ***.

² The Mushroom Company provided a “no” response to the Commission’s U.S. producer questionnaire. The Mushroom Company indicated that ***. Company officials further indicated that ***. Email correspondence with *** April 25, 2022.

³ On April 27, 2022, Monterrey Mushrooms submitted a letter indicating that they no longer were in the business of preserved mushrooms, and that ***. ***. ***. Email message from ***, April 27, 2022.

Table III-1 lists U.S. producers of certain preserved mushrooms their production locations, positions on the petition, and shares of total production.

Table III-1
Certain preserved mushrooms: U.S. producer Giorgio's position on the petition, location of production, and share of reported production, 2021

Firm	Position on petition	Production location(s)	Share of production
Giorgio	Petitioner	Blandon, PA	***
All firms	Various	Various	***

Source: Compiled from data submitted in response to Commission questionnaires.

Table III-2 presents information on U.S. producer Giorgio's ownership, related and/or affiliated firms.

Table III-2
Certain preserved mushrooms: U.S. producer Giorgio's ownership, related and/or affiliated firms

Reporting firm	Relationship type and related firm	Details of relationship
***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. production, capacity, and capacity utilization

Table III-3 and figure III-1 present U.S. producer Giorgio's production, capacity, and capacity utilization. Capacity *** during 2019 to 2021 while production increased by *** percent between 2019 and 2020 and *** percent between 2020 and 2021.⁴ Production increased between 2019 and 2021 by *** percent. The increase in production caused capacity utilization to increase between 2019 and 2020 as well as between 2020 and 2021.

Table III-3
Certain preserved mushrooms: U.S. producer Giorgio's average production capacity, production, and capacity utilization by period

Quantity in 1,000 pounds drained weight; ratio in percent

Item	Measure	2019	2020	2021
Capacity	Quantity	***	***	***
Production	Quantity	***	***	***
Capacity utilization	Ratio	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

⁴ At the Commission's preliminary conference, the petitioners indicated that its capacity utilization was extremely low, and further indicated that it had a declining trend line prior to 2019. Conference transcript, pp. 15 and 38 (Loiseau).

Figure III-1
Certain preserved mushrooms: U.S. producer Giorgio's capacity, production, and capacity utilization, by period

* * * * *

Source: Compiled from data submitted in response to Commission questionnaires.

Alternative products

As shown in table III-4, *** of the product produced during 2021 by Giorgio was certain preserved mushrooms. Giorgio's also reported that ***.⁵ The share of 2021 net sales of certain preserved mushrooms was *** percent, the share of *** was *** percent, the share of *** was *** percent, and the share of *** sales in 2021 was *** percent. Giorgio stated in their questionnaire responses that the small volume of ***.

⁵ At the Commission's preliminary conference, the petitioners indicated that they would need to bring in new equipment (a different size) specifically for the large cans of preserved mushrooms (the out-of-scope, preserved mushrooms for industrial food purposes). Conference transcript, p. 50 (Rosenthal).

Table III-4**Certain preserved mushrooms: U.S. producer Giorgio's overall capacity and production on the same equipment as subject production, by period**

Quantity in 1,000 pounds drained weight; ratio and share in percent

Item	Measure	2019	2020	2021
Overall capacity	Quantity	***	***	***
Preserved mushrooms production	Quantity	***	***	***
Other production	Quantity	***	***	***
Total production	Quantity	***	***	***
Overall capacity utilization	Ratio	***	***	***
Preserved mushrooms production	Share	***	***	***
Other production	Share	***	***	***
Total production	Share	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. producer Giorgio's U.S. shipments and exports

Table III-5 presents U.S. producer Giorgio's U.S. shipments, export shipments, and total shipments. U.S. shipments quantity increased by *** percent between 2019 and 2020 but decreased by *** percent between 2020 and 2021. There was an overall decrease between 2019 and 2021 in U.S. shipments by *** percent. With no export shipments, the quantity of total shipments was reported to be the same as U.S. shipments. The value of shipments increased between 2019 and 2020 by *** percent and decreased by *** percent between 2020 and 2021. There was an overall increase of U.S. shipment values by *** percent between 2019 and 2021. The unit value decreased between 2019 and 2020 but increased between 2020 and 2021.

Table III-5**Certain preserved mushrooms: U.S. producer Giorgio's total shipments, by destination and period**

Quantity in 1,000 pounds, drained weight; value in 1,000 dollars; unit value in dollars per pound drained weight; shares in percent

Item	Measure	2019	2020	2021
U.S. shipments	Quantity	***	***	***
Export shipments	Quantity	***	***	***
Total shipments	Quantity	***	***	***
U.S. shipments	Value	***	***	***
Export shipments	Value	***	***	***
Total shipments	Value	***	***	***
U.S. shipments	Unit value	***	***	***
Export shipments	Unit value	***	***	***
Total shipments	Unit value	***	***	***
U.S. shipments	Share of quantity	***	***	***
Export shipments	Share of quantity	***	***	***
Total shipments	Share of quantity	***	***	***
U.S. shipments	Share of value	***	***	***
Export shipments	Share of value	***	***	***
Total shipments	Share of value	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. producer Giorgio's inventories

Table III-6 presents U.S. producer Giorgio's end-of-period inventories and the ratio of these inventories to U.S. producers' production, U.S. shipments, and total shipments. The end-of-period inventory quantity decreased between 2019 and 2020 but increased between 2020 and 2021. There was an overall increase by *** percent between 2019 and 2021. The inventory ratio to U.S. production decreased between 2019 and 2020 but increased between 2020 and 2021 with an overall decrease between the three years. Both inventory ratio to U.S. shipments and total shipments decreased and increased by the same value between 2019 and 2020, and 2020 and 2021 respectively.

Table III-6**Certain preserved mushrooms: U.S. producer Giorgio's inventories and their ratio to select items, by period**

Quantity in 1,000 pounds drained weight; ratio in percent

Item	2019	2020	2021
End-of-period inventory quantity	***	***	***
Inventory ratio to U.S. production	***	***	***
Inventory ratio to U.S. shipments	***	***	***
Inventory ratio to total shipments	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. producers' purchases of imports from subject sources

*** responding U.S. producer reported purchases and/or imports of certain preserved mushrooms during 2019-2021.

U.S. employment, wages, and productivity

Table III-7 shows U.S. producer Giorgio's employment-related data. Production and related workers remained *** between 2020 and 2021 with an overall increase between 2019 and 2021 by *** percent.⁶ Productivity increased by *** percent between 2019 and 2020 and *** percent between 2020 and 2021 with an overall increase between 2019 and 2021 by *** percent.

Table III-7

Certain preserved mushrooms: U.S. producer Giorgio's employment related information, by item and period

Item	2019	2020	2021
Production and related workers (PRWs) (number)	***	***	***
Total hours worked (1,000 hours)	***	***	***
Hours worked per PRW (hours)	***	***	***
Wages paid (\$1,000)	***	***	***
Hourly wages (dollars per hour)	***	***	***
Productivity (pounds drained weight per hour)	***	***	***
Unit labor costs (dollars per pound drained weight)	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

⁶ The petitioners stated that Monterrey Mushrooms was forced to lay off 30 workers in 2019, which coincided with its shutdown in ***. Conference transcript, p. 12 (Loiseau).

Part IV: U.S. imports, apparent U.S. consumption, and market shares

U.S. importers

The Commission issued importer questionnaires to 60 firms believed to be importers of subject preserved mushrooms, as well as to all U.S. producers of preserved mushrooms.¹ Usable questionnaire responses were received from eight companies, representing *** percent of U.S. imports from France, *** percent of U.S. imports from Netherlands, *** percent of U.S. imports from Poland, *** percent of U.S. imports from Spain, and *** percent of U.S. imports from subject sources in 2021 under HTS statistical reporting numbers 2003.10.0127, 2003.10.0131, and 2003.10.0137.^{2 3} Table IV-1 lists all responding U.S. importers of mushrooms from France, Netherlands, Poland, Spain and other sources, their locations, and their shares of U.S. imports, in 2021.

¹ The Commission issued questionnaires to those firms identified in the petition, along with firms that, based on a review of data from third-party sources, may have accounted for more than one percent of total imports under HTS statistical reporting numbers 2003.10.0127, 2003.10.0131, and 2003.10.0137 in 2021.

² Additionally, preserved mushrooms can be classifiable under HTS statistical reporting numbers 2003.10.0143, 2003.10.0147, and 2003.10.0153, which are preserved mushrooms in containers with a drained weight greater than 12 ounces. These HTS statistical reporting numbers are largely for imports of preserved mushrooms packed in larger containers (typically 62 or 68 cans) used in industrial and food service sectors. Conference transcript, pp. 9-10 (Louiseau).

³ The U.S. imports reported under the HTS statistical reporting numbers 2003.10.0143, 2003.10.0147, and 2003.10.0153 may have been wrongly classified and misreported as preserved mushrooms in containers under 12 ounces. Three firms reported imports under these HTS statistical reporting numbers during 2019-21. *** each reported small quantities of imports of preserved mushrooms under these other HTS statistical reporting numbers, with *** having the largest share with at least *** percent of imports of preserved mushrooms classified under these three HTS statistical reporting numbers during 2019-21. U.S. imports of preserved mushrooms classified under these HTS statistical reporting numbers were *** of all reported U.S. imports of preserved mushrooms during 2019-21.

Table IV-1
Preserved mushrooms: U.S. importers, their headquarters, and share of imports within each source, 2021

Share in percent

Firm	Headquarters	France	Netherlands	Poland	Spain	Subject sources	Non subject sources	All import sources
Acme	Seattle, WA	***	***	***	***	***	***	***
Allied	Glen Burnie, MD	***	***	***	***	***	***	***
Cam- erican	Paramus, NJ	***	***	***	***	***	***	***
Hop Chong	Manhasset, NY	***	***	***	***	***	***	***
National Food Trading	Montvale, NJ	***	***	***	***	***	***	***
Rema	Englewood Cliffs, NJ	***	***	***	***	***	***	***
Roland	New York, NY	***	***	***	***	***	***	***
Shafer- Haggart	Vancouver, BC	***	***	***	***	***	***	***
All firms	Various	***	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. imports

Table IV-2 presents data for U.S. imports of preserved mushrooms from France, Netherlands, Poland, Spain, and all other sources during 2019-21. The quantity of preserved mushrooms imports from the subject countries increased by 30.2 percent from 2019 to 2021. The value of preserved mushrooms imports from the subject countries increased by 28.7 percent from 2019 to 2021.⁴ During 2019-21, U.S. imports of preserved mushrooms from the Netherlands had the largest share based on quantity of the combined subject countries with at least 65 percent of subject imports during each year. U.S. imports of preserved mushrooms from France decreased by 61.7 percent from 2019-21, while imports from Poland increased by 103.5 percent during the same period. U.S. imports from Netherlands and Spain increased by 47.9 and 81.5 percent, respectively during 2019-21.

The quantity of preserved mushroom imports from the nonsubject countries decreased by 5.5 percent from 2019 to 2021. The value of preserved mushrooms imports from the nonsubject countries decreased by 8.3 percent from 2019 to 2021. Leading nonsubject sources

⁴ All imports from subject countries except France, were higher in 2021 than in 2019, while subject imports from Poland more than doubled from 2019 to 2021.

of certain preserved mushrooms imports are Taiwan, Vietnam, Canada, and Italy.⁵ Average unit values (“AUVs”) from subject and nonsubject sources decreased between 2019 and 2021, by 1.2 percent and 3.1 percent respectively. Subject AUVs (dollars per pound drained weight) were higher during 2019-21 in France by 17.1 percent (25 cent increase), Poland by 8.4 percent (12 cent increase), and Spain by 2.3 percent (4 cent increase), but were lower in Netherlands by 5.3 percent (8 cent decrease). AUVs from nonsubject sources fluctuated during 2019 to 2021 by decreasing by 11.1 percent during 2019 to 2020, but were higher from 2020 to 2021 by 9.1 percent (an overall four cent decrease from 2019 to 2021).

Subject imports as a share of total imports increased slightly between 2019 and 2021, between 94.0 and 96.0 percent. The ratio of subject imports to U.S. production decreased by *** percentage points during 2019-21 to *** percent during 2021.

⁵ Imports of preserved mushrooms from Chile, China, India, and Indonesia are subject to antidumping dumping duty orders.

Table IV-2
Preserved mushrooms: U.S. imports by source and period

Quantity in 1,000 pounds drained weight; value in 1,000 dollars; unit value in dollars per pound drained weight

Source	Measure	2019	2020	2021
France	Quantity	8,122	6,085	3,109
Netherlands	Quantity	24,414	30,231	36,119
Poland	Quantity	3,232	3,307	6,578
Spain	Quantity	1,478	1,334	2,682
Subject sources	Quantity	37,247	40,957	48,487
Nonsubject sources	Quantity	2,189	2,030	2,069
All import sources	Quantity	39,436	42,987	50,557
France	Value	11,843	8,647	5,307
Netherlands	Value	36,172	44,349	50,685
Poland	Value	4,759	5,120	10,499
Spain	Value	2,479	2,241	4,601
Subject sources	Value	55,253	60,356	71,092
Nonsubject sources	Value	2,921	2,407	2,677
All import sources	Value	58,174	62,763	73,769
France	Unit value	1.46	1.42	1.71
Netherlands	Unit value	1.48	1.47	1.40
Poland	Unit value	1.47	1.55	1.60
Spain	Unit value	1.68	1.68	1.72
Subject sources	Unit value	1.48	1.47	1.47
Nonsubject sources	Unit value	1.33	1.19	1.29
All import sources	Unit value	1.48	1.46	1.46

Table continued on next page.

Table IV-2 continued
Preserved mushrooms: Share of U.S. imports by source and period

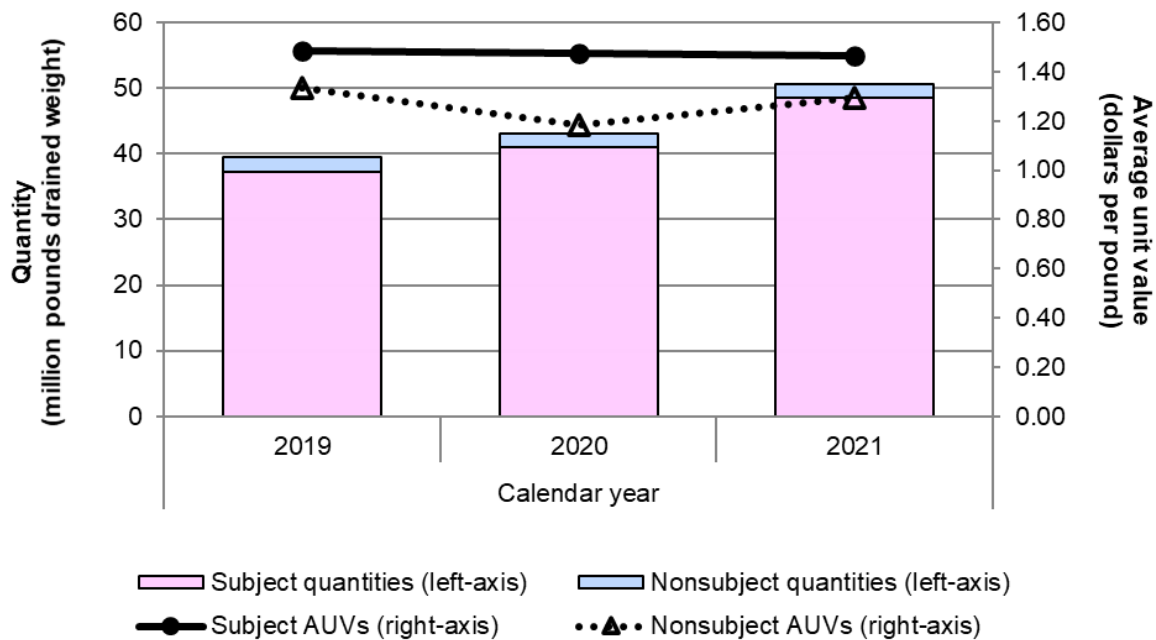
Shares and ratios in percent; ratios represent the ratio to U.S. production

Source	Measure	2019	2020	2021
France	Share of quantity	20.6	14.2	6.1
Netherlands	Share of quantity	61.9	70.3	71.4
Poland	Share of quantity	8.2	7.7	13.0
Spain	Share of quantity	3.7	3.1	5.3
Subject sources	Share of quantity	94.4	95.3	95.9
Nonsubject sources	Share of quantity	5.6	4.7	4.1
All import sources	Share of quantity	100.0	100.0	100.0
France	Share of value	20.4	13.8	7.2
Netherlands	Share of value	62.2	70.7	68.7
Poland	Share of value	8.2	8.2	14.2
Spain	Share of value	4.3	3.6	6.2
Subject sources	Share of value	95.0	96.2	96.4
Nonsubject sources	Share of value	5.0	3.8	3.6
All import sources	Share of value	100.0	100.0	100.0
France	Ratio	***	***	***
Netherlands	Ratio	***	***	***
Poland	Ratio	***	***	***
Spain	Ratio	***	***	***
Subject sources	Ratio	***	***	***
Nonsubject sources	Ratio	***	***	***
All import sources	Ratio	***	***	***

Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 2003.10.0127, 2003.10.0131, and 2003.10.0137, accessed on April 20, 2022. Imports are based on the imports for consumption data series. Value data reflect landed duty-paid values.

Note: Share of quantity is the share of U.S. imports by quantity; share of value is the share of U.S. imports by value; ratio are U.S. imports to production.

Figure IV-1
Preserved mushrooms: U.S. import quantities and average unit values, by source and period



Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 2003.10.0127, 2003.10.0131, and 2003.10.0137, accessed on April 20, 2022. Imports are based on the imports for consumption data series. Value data reflect landed duty-paid values.

Negligibility

The statute requires that an investigation be terminated without an injury determination if imports of the subject merchandise are found to be negligible.⁶ Negligible imports are generally defined in the Act, as amended, as imports from a country of merchandise corresponding to a domestic like product where such imports account for less than 3 percent of the volume of all such merchandise imported into the United States in the most recent 12-month period for which data are available that precedes the filing of the petition or the initiation of the investigation. However, if there are imports of such merchandise from a number of countries subject to investigations initiated on the same day that individually account for less than 3 percent of the total volume of the subject merchandise, and if the imports from those countries collectively account for more than 7 percent of the volume of all such merchandise imported into the United States during the applicable 12-month period, then

⁶ Sections 703(a)(1), 705(b)(1), 733(a)(1), and 735(b)(1) of the Act (19 U.S.C. §§ 1671b(a)(1), 1671d(b)(1), 1673b(a)(1), and 1673d(b)(1)).

imports from such countries are deemed not to be negligible.⁷ Imports of preserved mushrooms from France accounted for 6.2 percent, imports from the Netherlands accounted for 69.1 percent, imports from Poland accounted for 14.4 percent, and imports from Spain accounted for 5.7 percent (the combined subject countries accounted for 95.4 percent) of total imports of preserved mushrooms by quantity during March 2021 through February 2022.

Table IV-3
Preserved mushrooms: U.S. imports in the twelve-month period preceding the filing of the petition, March 2021 through February 2022

Quantity in 1,000 pounds drained weight; share of quantity in percent

Source of imports	Quantity	Share of quantity
France	3,036	6.2
Netherlands	33,779	69.1
Poland	7,020	14.4
Spain	2,795	5.7
Subject	46,630	95.4
Nonsubject sources	2,265	4.6
All import sources	48,894	100.0

Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 2003.10.0127, 2003.10.0131, and 2003.10.0137, accessed on April 20, 2022. Imports are based on the imports for consumption data series.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Cumulation considerations

In assessing whether imports should be cumulated, the Commission determines whether U.S. imports from the subject countries compete with each other and with the domestic like product and has generally considered four factors: (1) fungibility, (2) presence of sales or offers to sell in the same geographical markets, (3) common or similar channels of distribution, and (4) simultaneous presence in the market. Information regarding channels of distribution, market areas, and interchangeability appear in Part II. Additional information concerning fungibility, geographical markets, and simultaneous presence in the market is presented below.

⁷ Section 771 (24) of the Act (19 U.S.C § 1677(24)).

Fungibility

U.S. importers' U.S. shipments by container type

Tables IV-4 presents data for U.S. producer Giorgio's and U.S. importers' U.S. shipments by source and container type,⁸ from subject and all other sources. The four-ounce cans of preserved mushrooms were *** and U.S. importers during 2021. All other in-scope sized cans were the second most frequently sold (***) by both Giorgio and U.S. importers. Giorgio and U.S. importers' U.S. shipments of the four-ounce cans accounted for *** of U.S. shipments by container type (***). Giorgio accounted for *** of U.S. shipments of all other in-scope cans (***), while U.S. importers' U.S. shipments from the Netherlands accounted for *** of the four-ounce cans.⁹ Additionally, U.S. importers' U.S. shipments of all jars (4.5-ounce, six ounces, and all other in-scope sizes) from the Netherlands accounted for *** of all U.S. shipments of all jars during 2021.

⁸ At the Commission's preliminary conference, the petitioners indicated that there are currently no imported product coming in cans greater than 8 ounces and less than 12 ounces. Conference transcript, pp. 34-35 (Louiseau).

⁹ *** had the largest share of U.S. importers' U.S. shipments of cans (all sizes) from the Netherlands during 2021. Additionally, all U.S. importers' U.S. shipments from both *** were of cans (all sizes) during 2021.

Table IV-4
Preserved mushrooms: U.S. producer Giorgio's and U.S. importers' U.S. shipments, by source and container type, 2021

Quantity in 1,000 pounds drained weight

Source	Jars, 4.5 ounces	Jars, 6.0 ounces	Jars, all other in-scope sizes	Cans, 4.0 ounces	Cans, 6.0 ounces	Cans, all other in-scope sizes	All other containers	All container types
U.S. producers	***	***	***	***	***	***	***	***
France	***	***	***	***	***	***	***	***
Netherlands	***	***	***	***	***	***	***	***
Poland	***	***	***	***	***	***	***	***
Spain	***	***	***	***	***	***	***	***
Subject	***	***	***	***	***	***	***	***
Nonsubject sources	***	***	***	***	***	***	***	***
All import sources	***	***	***	***	***	***	***	***
All sources	***	***	***	***	***	***	***	***

Table continued

Table IV-4 continued
Preserved mushrooms: U.S. producer Giorgio's and U.S. importers' U.S. shipments, by source and container type, 2021

Share across in percent

Source	Jars, 4.5 ounces	Jars, 6.0 ounces	Jars, all other in-scope sizes	Cans, 4.0 ounces	Cans, 6.0 ounces	Cans, all other in-scope sizes	All other containers	All container types
U.S. producers	***	***	***	***	***	***	***	***
France	***	***	***	***	***	***	***	***
Netherlands	***	***	***	***	***	***	***	***
Poland	***	***	***	***	***	***	***	***
Spain	***	***	***	***	***	***	***	***
Subject	***	***	***	***	***	***	***	***
Nonsubject sources	***	***	***	***	***	***	***	***
All import sources	***	***	***	***	***	***	***	***
All sources	***	***	***	***	***	***	***	***

Table continued

Table IV-4 continued
Preserved mushrooms: U.S. producer Giorgio's and U.S. importers' U.S. shipments, by source and container type, 2021

Shares down in percent

Source	Jars, 4.5 ounces	Jars, 6.0 ounces	Jars, all other in- scope sizes	Cans, 4.0 ounces	Cans, 6.0 ounces	Cans, all other in- scope sizes	All other containers	All container types
U.S. producers	***	***	***	***	***	***	***	***
France	***	***	***	***	***	***	***	***
Netherlands	***	***	***	***	***	***	***	***
Poland	***	***	***	***	***	***	***	***
Spain	***	***	***	***	***	***	***	***
Subject	***	***	***	***	***	***	***	***
Nonsubject sources	***	***	***	***	***	***	***	***
All import sources	***	***	***	***	***	***	***	***
All sources	***	***	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Figure IV-2
Preserved mushrooms: U.S. producer Giorgio's and U.S. importers' U.S. shipments, by source and container type, 2021

* * * * *

Source: Compiled from data submitted in response to Commission questionnaires.

Geographical markets

Table IV-5 presents U.S. imports of preserved mushrooms, by source and border of entry in 2021, based on official Commerce statistics. U.S. imports of subject preserved mushrooms from France, Netherlands, Poland, and Spain entered multiple U.S. ports of entry across the nation. The majority of preserved mushrooms from subject countries entered through Eastern borders of entry.

Table IV-5
Preserved mushrooms: U.S. imports by source and border of entry, 2021

Quantity in 1,000 pounds drained weight

Source	East	North	South	West	All borders
France	1,579	1,111	269	150	3,109
Netherlands	17,774	12,104	2,287	3,954	36,119
Poland	3,130	1,344	1,438	665	6,578
Spain	632	1,097	245	708	2,682
Subject	23,115	15,656	4,239	5,476	48,487
Nonsubject sources	824	887	23	335	2,069
All import sources	23,939	16,543	4,262	5,812	50,557

Table continued

Table IV-5 continued
Preserved mushrooms: U.S. imports by source and border of entry, 2021

Share across in percent

Source	East	North	South	West	All borders
France	50.8	35.7	8.6	4.8	100.0
Netherlands	49.2	33.5	6.3	10.9	100.0
Poland	47.6	20.4	21.9	10.1	100.0
Spain	23.6	40.9	9.1	26.4	100.0
Subject	47.7	32.3	8.7	11.3	100.0
Nonsubject sources	39.8	42.9	1.1	16.2	100.0
All import sources	47.4	32.7	8.4	11.5	100.0

Table continued

Table IV-5 continued
Preserved mushrooms: U.S. imports by source and border of entry, 2021

Share down in percent

Source	East	North	South	West	All borders
France	6.6	6.7	6.3	2.6	6.1
Netherlands	74.2	73.2	53.7	68.0	71.4
Poland	13.1	8.1	33.7	11.4	13.0
Spain	2.6	6.6	5.8	12.2	5.3
Subject	96.6	94.6	99.5	94.2	95.9
Nonsubject sources	3.4	5.4	0.5	5.8	4.1
All import sources	100.0	100.0	100.0	100.0	100.0

Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 2003.10.0127, 2003.10.0131, and 2003.10.0137, accessed on April 20, 2022. Imports are based on the imports for consumption data series. Value data reflect landed duty-paid values.

Presence in the market

Table IV-6 and figure IV-4 present monthly data on preserved mushrooms presence in the market during 2019 through 2021. During January 2019 through December 2021, preserved mushrooms were present in the market during every month from subject sources. Preserved mushrooms from the Netherlands and Poland were present in the market during every month, and were present in the market during every month except one for both France (December 2021) and Spain (April 2020). Preserved mushrooms from nonsubject sources were present in the market during every month during January 2019 through December 2021.

Table IV-6
Preserved mushrooms: Quantity of U.S. imports, by source and month

Quantity in 1,000 pounds drained weight

Year	Month	France	Netherlands	Poland	Spain	Subject sources	Nonsubject sources	All import sources
2019	January	903	1,564	281	142	2,889	279	3,168
2019	February	560	1,552	208	57	2,377	208	2,586
2019	March	729	1,866	317	204	3,116	480	3,596
2019	April	960	3,322	304	243	4,829	94	4,922
2019	May	770	2,303	235	21	3,329	202	3,531
2019	June	908	2,009	293	86	3,296	109	3,405
2019	July	557	1,821	256	82	2,716	101	2,817
2019	August	399	1,863	279	69	2,610	224	2,834
2019	September	565	2,484	250	227	3,526	153	3,679
2019	October	660	1,878	304	15	2,857	41	2,898
2019	November	629	2,228	260	124	3,241	169	3,411
2019	December	481	1,525	245	209	2,460	128	2,589
2020	January	379	1,904	243	89	2,615	198	2,813
2020	February	332	2,016	168	91	2,607	129	2,736
2020	March	1,105	1,865	247	5	3,222	148	3,370
2020	April	604	2,397	224	0	3,226	138	3,364
2020	May	745	2,845	219	143	3,952	218	4,170
2020	June	318	3,050	190	173	3,730	179	3,909
2020	July	463	2,545	358	40	3,406	224	3,630
2020	August	537	2,426	374	140	3,477	103	3,579
2020	September	531	2,827	307	85	3,750	153	3,903
2020	October	497	2,914	219	20	3,650	127	3,777
2020	November	289	2,616	199	117	3,220	176	3,396
2020	December	286	2,826	558	433	4,103	238	4,340

Table continued

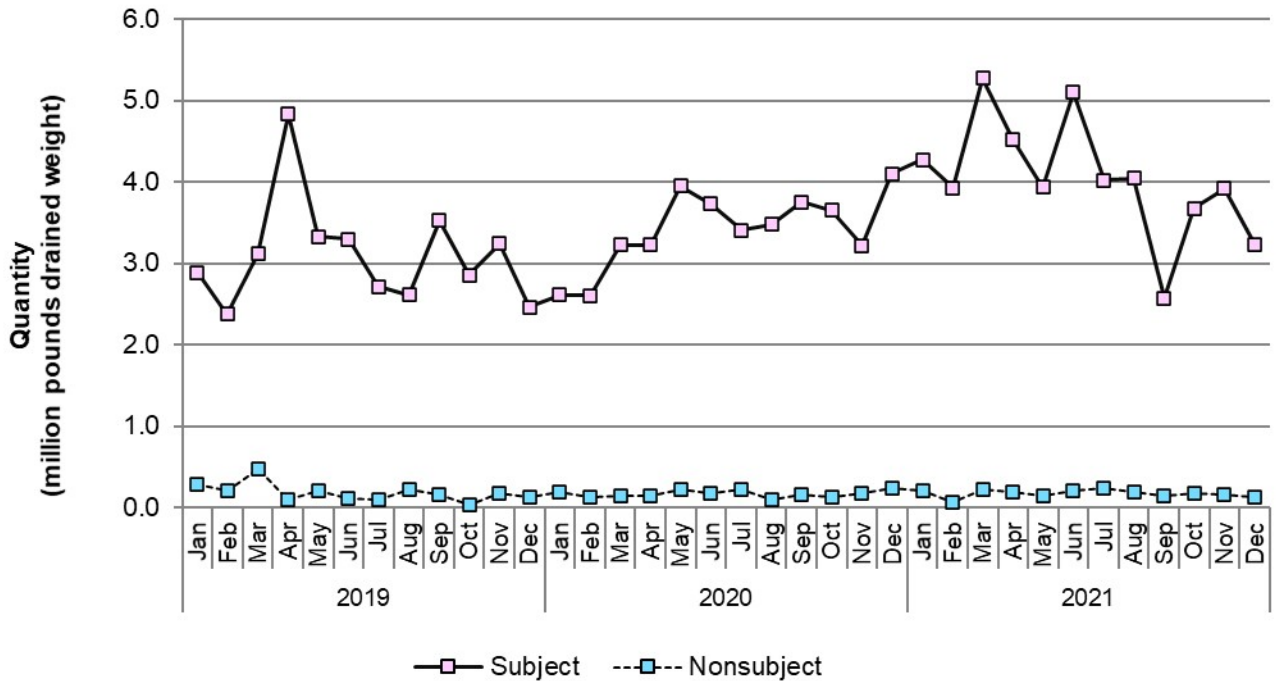
Table IV-6 continued
Preserved mushrooms: Quantity of U.S. imports, by source and month

Quantity in 1,000 pounds drained weight

Year	Month	France	Netherlands	Poland	Spain	Subject sources	Nonsubject sources	All import sources
2021	January	390	3,087	503	290	4,270	211	4,481
2021	February	62	3,254	469	141	3,926	68	3,993
2021	March	438	3,797	753	286	5,273	226	5,499
2021	April	206	3,448	489	377	4,519	195	4,715
2021	May	125	2,873	813	124	3,935	137	4,072
2021	June	189	4,300	414	198	5,102	215	5,317
2021	July	244	2,859	465	457	4,024	237	4,261
2021	August	339	2,745	654	306	4,044	184	4,228
2021	September	171	1,756	570	77	2,575	138	2,713
2021	October	573	2,457	560	86	3,675	183	3,858
2021	November	371	2,867	525	156	3,919	152	4,071
2021	December	0	2,677	363	184	3,225	123	3,347

Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 2003.10.0127, 2003.10.0131, and 2003.10.0137, accessed on April 20, 2022. Imports are based on the imports for consumption data series. Value data reflect landed duty-paid values.

Figure IV-3
Preserved mushrooms: U.S. imports from individual subject sources, by source and month



Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 2003.10.0127, 2003.10.0131, and 2003.10.0137, accessed on April 20, 2022. Imports are based on the imports for consumption data series. Value data reflect landed duty-paid values.

Apparent U.S. consumption and market shares

Quantity

Table IV-7 and figure IV-5 present data on apparent U.S. consumption and U.S. market shares by quantity for preserved mushrooms during 2019-21. The quantity of apparent U.S. consumption increased by *** percent during 2019-21. U.S. producers' share of apparent U.S. consumption, based on quantity, decreased by *** percentage points during 2019-21, while subject importers' share based on quantity increased by *** percentage points.

Table IV-7
Preserved mushrooms: Apparent U.S. consumption and market shares based on quantity, by source and period

Quantity in 1,000 pounds drained weight; shares in percent

Source	Measure	2019	2020	2021
U.S. producers	Quantity	***	***	***
France	Quantity	8,122	6,085	3,109
Netherlands	Quantity	24,414	30,231	36,119
Poland	Quantity	3,232	3,307	6,578
Spain	Quantity	1,478	1,334	2,682
Subject	Quantity	37,247	40,957	48,487
Nonsubject sources	Quantity	2,189	2,030	2,069
All import sources	Quantity	39,436	42,987	50,557
All sources	Quantity	***	***	***
U.S. producers	Share	***	***	***
France	Share	***	***	***
Netherlands	Share	***	***	***
Poland	Share	***	***	***
Spain	Share	***	***	***
Subject	Share	***	***	***
Nonsubject sources	Share	***	***	***
All import sources	Share	***	***	***
All sources	Share	***	***	***

Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using statistical reporting numbers 2003.10.0127, 2003.10.0131, and 2003.10.0137, accessed April 20, 2022, and from data submitted in response to Commission questionnaires. Imports are based on the imports for consumption data series.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Figure IV-4
Preserved mushrooms: Apparent U.S. consumption based on quantity, by source and period

* * * * *

Source: Compiled from data submitted in response to Commission questionnaires

Value

Table IV-8 and figure IV-6 present data on apparent U.S. consumption and U.S. market shares by value for preserved mushrooms during 2019-21. The value of apparent U.S. consumption increased by *** percent during 2019-21. U.S. producers' share of apparent U.S. consumption, based on quantity, decreased by *** percentage points during 2019-21, while subject importers' share based on quantity increased by *** percentage points.

Table IV-8
Preserved mushrooms: Apparent U.S. consumption and market shares based on value, by source and period

Value in 1,000 dollars; shares in percent

Source	Measure	2019	2020	2021
U.S. producers	Value	***	***	***
France	Value	11,843	8,647	5,307
Netherlands	Value	36,172	44,349	50,685
Poland	Value	4,759	5,120	10,499
Spain	Value	2,479	2,241	4,601
Subject	Value	55,253	60,356	71,092
Nonsubject sources	Value	2,921	2,407	2,677
All import sources	Value	58,174	62,763	73,769
All sources	Value	***	***	***
U.S. producers	Share	***	***	***
France	Share	***	***	***
Netherlands	Share	***	***	***
Poland	Share	***	***	***
Spain	Share	***	***	***
Subject	Share	***	***	***
Nonsubject sources	Share	***	***	***
All import sources	Share	***	***	***
All sources	Share	***	***	***

Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using statistical reporting number(s) 2003.10.0127, 2003.10.0131, and 2003.10.0137, accessed April 20, 2022, and from data submitted in response to Commission questionnaires. Imports values are based on the landed duty paid value.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Figure IV-5
Preserved mushrooms: Apparent U.S. consumption based on value, by source and period

* * * * *

Source: Compiled from data submitted in response to Commission questionnaires

Part V: Pricing data

Factors affecting prices

Raw material costs

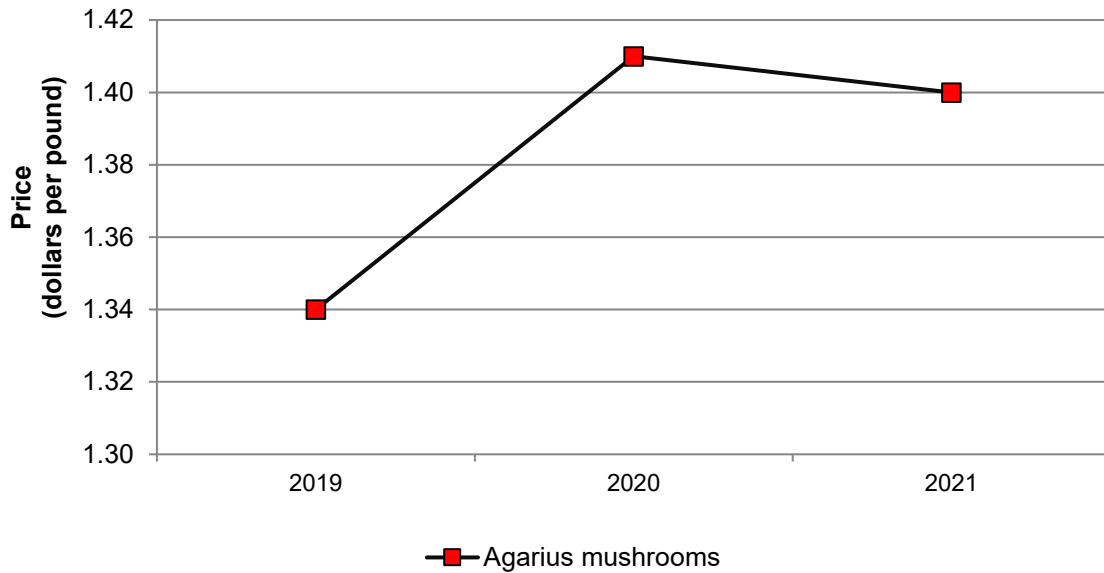
Certain preserved mushrooms are made primarily from the mushrooms from the genus *Agaricus*, which are then preserved and packed.¹ Raw materials are the largest component of the total cost of goods sold (“COGS”) for certain preserved mushrooms. The *Agaricus* mushroom makes up most of the raw material cost for certain preserved mushrooms.

The sole responding U.S. producer indicated that raw material costs had *** since January 1, 2019. Almost all responding importers (7 of 8) reported that raw material costs had increased since January 1, 2019, with one reporting that raw material prices fluctuated. As shown in figure V-1, prices of *Agaricus* mushrooms have increased overall since January 2019. Prices of *Agaricus* mushrooms increased steeply from 2019 to 2020 and slightly declined in 2021 but maintained a higher price than in 2019. Overall, the average price of *Agaricus* mushrooms increased by 4.5 percent (table V-1).

¹ Petition, Volume 1 p. 5

Figure V-1
Agaricus mushrooms: U.S. average price per pound per year, January 2019–December 2021

Price per pound on an annual basis



Source: USDA Crop Values 2021 Summary. published February 24, 2022.²

Table V-1
Agaricus mushrooms: U.S. average price per pound per year, January 2019–December 2021

Prices in dollars per pound

Year	U.S. average price per pound
2019	1.34
2020	1.41
2021	1.40

Source: Source: USDA Crop Values 2021 Summary published February 24, 2022

Transportation costs to the U.S. market

Transportation costs for certain preserved mushrooms from subject countries to the United States (excluding U.S. inland transportation costs) in 2021 were estimated to be equivalent to approximately 8.4 percent of the customs value for product from France, 11.8 percent of the customs value for product from Netherlands, 9.7 percent of the customs value for product from Poland, and 9.1 percent of the customs value for product from Spain. These

² USDA Crop Values 2021 Summary, <https://downloads.usda.library.cornell.edu/usda-emsis/files/k35694332/gb19g8865/jd474051x/cpvl0222.pdf> Accessed May 6, 2022.

estimates were derived from official import data and represent the transportation and other charges on imports.³

U.S. inland transportation costs

The sole U.S. producer reported that ***, and three of eight importers reported that they typically arrange transportation to their customers. U.S. producer reported that their U.S. inland transportation costs to be *** percent while importers reported costs of 1.0 to 13.0 percent.

Pricing practices

Pricing methods

The U.S. producer reported setting prices using ***; importers reported setting prices using transaction-by-transaction, contracts, and set price list (table V-2).

Table V-2
Certain preserved mushrooms: Count of U.S. producers' and importers' reported price setting methods

Count in number of firms reporting

Method	U.S. producer	U.S. importers
Transaction-by-transaction	***	4
Contract	***	8
Set price list	***	2
Other	***	1
Responding firms	***	8

Source: Compiled from data submitted in response to Commission questionnaires.

Note: The sum of responses down may not add up to the total number of responding firms as each firm was instructed to check all applicable price setting methods employed.

The U.S. producer reported selling its certain preserved mushrooms under ***. Importers sold the majority of their certain preserved mushrooms using annual contracts (table V-3).

³ The estimated transportation costs were obtained by subtracting the customs value from the c.i.f. value of the imports for 2021 and then dividing by the customs value based on the HTS statistical reporting number 2003.10.0127, 2003.10.0131, and 2003.10.0137.

Table V-3
Certain preserved mushrooms: U.S. producers' and importers' shares of commercial U.S. shipments by type of sale, 2021

Share in percent

Item	U.S. producer	Subject U.S. importers
Long-term contracts	***	***
Annual contract	***	***
Short-term contracts	***	***
Spot sales	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

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

The sole U.S. producer reported *** allowed for *** and were not ***.

One importer reported using long-term contracts and reported that its long-term contracts allow for price renegotiations during the contract. Three of eight importers reported short-term contracts lasting from 3 to 6 months; two of four reporting importers allowed for price renegotiations during the contract. One importer reported that its contracts fix price only and two of three responding importers reported fixing both price and quantity. Half of responding importers reported indexing to raw materials (3 of 6 reporting). Three of six reporting importers reported annual contracts do not allow price renegotiations during the contract. Most importers (4 of 6) reported that their annual contracts are not indexed to raw materials, and three importers reported that these contracts fix both price and quantities.

Sales terms and discounts

The U.S. producer reported that it typically quotes prices on a *** basis. A majority of importers (7 of 8) typically quote prices on an FOB basis.⁴ The sole U.S. producer reported *** for its product, and (2 of 4) responding offered quantity discounts along with other discounts such as early payment discounts and cash payments.

⁴ Importer *** stated that it quotes prices based only on a delivered basis. Importers *** quote prices based on both a delivered and FOB basis.

Price data

The Commission requested U.S. producers and importers to provide quarterly data for the total quantity and f.o.b. value of the following certain preserved mushrooms products shipped to unrelated U.S. customers during January 2019–December 2021.

Product 1.-- Stems and pieces, in 4 ounce cans (excluding organic mushrooms)

Product 2.-- Stems and pieces, in 8 ounce cans (excluding organic mushrooms)

Product 3.-- Whole sliced mushrooms, in 4 ounce cans (excluding organic mushrooms)

Product 4.-- Sliced mushrooms, in 4.5 ounce jars (excluding organic mushrooms)

One U.S. producer and eight importers provided usable pricing data for sales of the requested products, although not all firms reported pricing for all products for all quarters.⁵ Pricing data reported by these firms accounted for approximately *** percent of the U.S. producer's U.S. shipments of certain preserved mushrooms, *** percent of U.S. shipments of subject imports from France, *** percent from Netherlands, *** percent from Poland, and *** percent from Spain in 2021.⁶

Price data for products 1-4 are presented in tables V-4 to V-7 and figures V-2 to V-5.

⁵ Per-unit pricing data are calculated from total quantity and total value data provided by U.S. producers and importers. The precision and variation of these figures may be affected by rounding, limited quantities, and producer or importer estimates.

⁶ Pricing coverage is based on U.S. shipments reported in questionnaires which represent a small share of total imports.

Table V-4

Certain preserved mushrooms: Weighted-average f.o.b. prices and quantities of domestic and imported product 1 and margins of underselling/(overselling), by source and quarter, January 2019–December 2021

Quantity in 1,000 pounds drained weight; Prices in dollars per pound drained weight; Margins in percent

Period	U.S. price	U.S. quantity	France price	France quantity	France margin
2019 Q1	***	***	***	***	***
2019 Q2	***	***	***	***	***
2019 Q3	***	***	***	***	***
2019 Q4	***	***	***	***	***
2020 Q1	***	***	***	***	***
2020 Q2	***	***	***	***	***
2020 Q3	***	***	***	***	***
2020 Q4	***	***	***	***	***
2021 Q1	***	***	***	***	***
2021 Q2	***	***	***	***	***
2021 Q3	***	***	***	***	***
2021 Q4	***	***	***	***	***

Period	Netherlands price	Netherlands quantity	Netherlands margin	Poland price	Poland quantity	Poland margin
2019 Q1	***	***	***	***	***	***
2019 Q2	***	***	***	***	***	***
2019 Q3	***	***	***	***	***	***
2019 Q4	***	***	***	***	***	***
2020 Q1	***	***	***	***	***	***
2020 Q2	***	***	***	***	***	***
2020 Q3	***	***	***	***	***	***
2020 Q4	***	***	***	***	***	***
2021 Q1	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***
2021 Q3	***	***	***	***	***	***
2021 Q4	***	***	***	***	***	***

Table continued.

Table V-4 Continued.

Certain preserved mushrooms: Weighted-average f.o.b. prices and quantities of domestic and imported product 1 and margins of underselling/(overselling), by source and quarter, January 2019–December 2021

Quantity in 1,000 pounds drained weight; Prices in dollars per pound drained weight; Margins in percent

Period	Spain price	Spain quantity	Spain margin	Subject price	Subject quantity	Subject margin
2019 Q1	***	***	***	***	***	***
2019 Q2	***	***	***	***	***	***
2019 Q3	***	***	***	***	***	***
2019 Q4	***	***	***	***	***	***
2020 Q1	***	***	***	***	***	***
2020 Q2	***	***	***	***	***	***
2020 Q3	***	***	***	***	***	***
2020 Q4	***	***	***	***	***	***
2021 Q1	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***
2021 Q3	***	***	***	***	***	***
2021 Q4	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Product 1: Stems and pieces, in 4 ounce cans (excluding organic mushrooms).

Figure V-2

Certain preserved mushrooms: Weighted-average f.o.b. prices and quantities of domestic and imported product 1, by source and quarter, January 2019–December 2021

Price of product 1

* * * * *

Volume of product 1

* * * * *

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Product 1: Stems and pieces, in 4 ounce cans (excluding organic mushrooms).

Table V-5

Certain preserved mushrooms: Weighted-average f.o.b. prices and quantities of domestic and imported product 2 and margins of underselling/(overselling), by source and quarter, January 2019–December 2021

Quantity in 1,000 pounds drained weight; Prices in dollars per pound drained weight; Margins in percent

Period	U.S. price	U.S. quantity	France price	France quantity	France margin
2019 Q1	***	***	***	***	***
2019 Q2	***	***	***	***	***
2019 Q3	***	***	***	***	***
2019 Q4	***	***	***	***	***
2020 Q1	***	***	***	***	***
2020 Q2	***	***	***	***	***
2020 Q3	***	***	***	***	***
2020 Q4	***	***	***	***	***
2021 Q1	***	***	***	***	***
2021 Q2	***	***	***	***	***
2021 Q3	***	***	***	***	***
2021 Q4	***	***	***	***	***

Period	Netherlands price	Netherlands quantity	Netherlands margin	Poland price	Poland quantity	Poland margin
2019 Q1	***	***	***	***	***	***
2019 Q2	***	***	***	***	***	***
2019 Q3	***	***	***	***	***	***
2019 Q4	***	***	***	***	***	***
2020 Q1	***	***	***	***	***	***
2020 Q2	***	***	***	***	***	***
2020 Q3	***	***	***	***	***	***
2020 Q4	***	***	***	***	***	***
2021 Q1	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***
2021 Q3	***	***	***	***	***	***
2021 Q4	***	***	***	***	***	***

Table continued.

Table V-5 Continued.

Certain preserved mushrooms: Weighted-average f.o.b. prices and quantities of domestic and imported product 2 and margins of underselling/(overselling), by source and quarter, January 2019–December 2021

Quantity in 1,000 pounds drained weight; Prices in dollars per pound drained weight; Margins in percent

Period	Spain price	Spain quantity	Spain margin	Subject price	Subject quantity	Subject margin
2019 Q1	***	***	***	***	***	***
2019 Q2	***	***	***	***	***	***
2019 Q3	***	***	***	***	***	***
2019 Q4	***	***	***	***	***	***
2020 Q1	***	***	***	***	***	***
2020 Q2	***	***	***	***	***	***
2020 Q3	***	***	***	***	***	***
2020 Q4	***	***	***	***	***	***
2021 Q1	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***
2021 Q3	***	***	***	***	***	***
2021 Q4	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Product 2: Stems and pieces, in 8 ounce cans (excluding organic mushrooms).

Figure V-3

Certain preserved mushrooms: Weighted-average f.o.b. prices and quantities of domestic and imported product 2, by source and quarter, January 2019–December 2021

Price of product 2

* * * * *

Volume of product 2

* * * * *

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Product 2: Stems and pieces, in 8 ounce cans (excluding organic mushrooms).

Table V-6
Certain preserved mushrooms: Weighted-average f.o.b. prices and quantities of domestic and imported product 3 and margins of underselling/(overselling), by source and quarter, January 2019–December 2021

Quantity in 1,000 pounds drained weight; Prices in dollars per pound drained weight; Margins in percent

Period	U.S. price	U.S. quantity	France price	France quantity	France margin
2019 Q1	***	***	***	***	***
2019 Q2	***	***	***	***	***
2019 Q3	***	***	***	***	***
2019 Q4	***	***	***	***	***
2020 Q1	***	***	***	***	***
2020 Q2	***	***	***	***	***
2020 Q3	***	***	***	***	***
2020 Q4	***	***	***	***	***
2021 Q1	***	***	***	***	***
2021 Q2	***	***	***	***	***
2021 Q3	***	***	***	***	***
2021 Q4	***	***	***	***	***

Period	Netherlands price	Netherlands quantity	Netherlands margin	Poland price	Poland quantity	Poland margin
2019 Q1	***	***	***	***	***	***
2019 Q2	***	***	***	***	***	***
2019 Q3	***	***	***	***	***	***
2019 Q4	***	***	***	***	***	***
2020 Q1	***	***	***	***	***	***
2020 Q2	***	***	***	***	***	***
2020 Q3	***	***	***	***	***	***
2020 Q4	***	***	***	***	***	***
2021 Q1	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***
2021 Q3	***	***	***	***	***	***
2021 Q4	***	***	***	***	***	***

Table continued.

Table V-6 Continued.

Certain preserved mushrooms: Weighted-average f.o.b. prices and quantities of domestic and imported product 3 and margins of underselling/(overselling), by source and quarter, January 2019–December 2021

Quantity in 1,000 pounds drained weight; Prices in dollars per pound drained weight; Margins in percent

Period	Spain price	Spain quantity	Spain margin	Subject price	Subject quantity	Subject margin
2019 Q1	***	***	***	***	***	***
2019 Q2	***	***	***	***	***	***
2019 Q3	***	***	***	***	***	***
2019 Q4	***	***	***	***	***	***
2020 Q1	***	***	***	***	***	***
2020 Q2	***	***	***	***	***	***
2020 Q3	***	***	***	***	***	***
2020 Q4	***	***	***	***	***	***
2021 Q1	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***
2021 Q3	***	***	***	***	***	***
2021 Q4	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Product 3: Whole sliced mushrooms, in 4 ounce cans (excluding organic mushrooms).

Figure V-4

Certain preserved mushrooms: Weighted-average f.o.b. prices and quantities of domestic and imported product 3, by source and quarter, January 2019–December 2021

Price of product 3

* * * * *

Volume of product 3

* * * * *

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Product 3: Whole sliced mushrooms, in 4 ounce cans (excluding organic mushrooms).

Table V-7

Certain preserved mushrooms: Weighted-average f.o.b. prices and quantities of domestic and imported product 4 and margins of underselling/(overselling), by source and quarter, January 2019–December 2021

Quantity in 1,000 pounds drained weight; Prices in dollars per pound drained weight; Margins in percent

Period	U.S. price	U.S. quantity	France price	France quantity	France margin
2019 Q1	***	***	***	***	***
2019 Q2	***	***	***	***	***
2019 Q3	***	***	***	***	***
2019 Q4	***	***	***	***	***
2020 Q1	***	***	***	***	***
2020 Q2	***	***	***	***	***
2020 Q3	***	***	***	***	***
2020 Q4	***	***	***	***	***
2021 Q1	***	***	***	***	***
2021 Q2	***	***	***	***	***
2021 Q3	***	***	***	***	***
2021 Q4	***	***	***	***	***

Period	Netherlands price	Netherlands quantity	Netherlands margin	Poland price	Poland quantity	Poland margin
2019 Q1	***	***	***	***	***	***
2019 Q2	***	***	***	***	***	***
2019 Q3	***	***	***	***	***	***
2019 Q4	***	***	***	***	***	***
2020 Q1	***	***	***	***	***	***
2020 Q2	***	***	***	***	***	***
2020 Q3	***	***	***	***	***	***
2020 Q4	***	***	***	***	***	***
2021 Q1	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***
2021 Q3	***	***	***	***	***	***
2021 Q4	***	***	***	***	***	***

Table continued.

Table V-7 Continued.

Certain preserved mushrooms: Weighted-average f.o.b. prices and quantities of domestic and imported product 4 and margins of underselling/(overselling), by source and quarter, January 2019–December 2021

Quantity in 1,000 pounds drained weight; Prices in dollars per pound drained weight; Margins in percent

Period	Spain price	Spain quantity	Spain margin	Subject price	Subject quantity	Subject margin
2019 Q1	***	***	***	***	***	***
2019 Q2	***	***	***	***	***	***
2019 Q3	***	***	***	***	***	***
2019 Q4	***	***	***	***	***	***
2020 Q1	***	***	***	***	***	***
2020 Q2	***	***	***	***	***	***
2020 Q3	***	***	***	***	***	***
2020 Q4	***	***	***	***	***	***
2021 Q1	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***
2021 Q3	***	***	***	***	***	***
2021 Q4	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Product 4: Sliced mushrooms, in 4.5 ounce jars (excluding organic mushrooms).

Figure V-5
Certain preserved mushrooms: Weighted-average f.o.b. prices and quantities of domestic and imported product 4, by source and quarter, January 2019–December 2021

Price of product 4

* * * * *

Volume of product 4

* * * * *

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Product 4: Sliced mushrooms, in 4.5 ounce jars (excluding organic mushrooms).

Price trends

In general, prices increased during January 2019–December 2021. Table V-8 summarizes the price trends, by country and by product. As shown in the table, domestic price increases ranged from *** to *** percent during January 2019–December 2021 while import price increases ranged from *** to *** percent. Imports from Spain experienced the largest increases over the period. The price of product 2 imported from Poland decreased by *** percent and product 4 from Netherlands decreased by *** percent during the January 2019–December 2021.

Table V-8
Certain preserved mushrooms: Summary of price data, by product and source, January 2019-December 2021

Prices in dollars per pound drained weight; Quantity in 1,000 pounds drained weight; Change in percent

Product	Source	Number of quarters	Quantity	Low price	High price	First quarter price	Last quarter price	Change over period
Product 1	United States	***	***	***	***	***	***	***
Product 1	France	***	***	***	***	***	***	***
Product 1	Netherlands	***	***	***	***	***	***	***
Product 1	Poland	***	***	***	***	***	***	***
Product 1	Spain	***	***	***	***	***	***	***
Product 2	United States	***	***	***	***	***	***	***
Product 2	France	***	***	***	***	***	***	***
Product 2	Netherlands	***	***	***	***	***	***	***
Product 2	Poland	***	***	***	***	***	***	***
Product 2	Spain	***	***	***	***	***	***	***
Product 3	United States	***	***	***	***	***	***	***
Product 3	France	***	***	***	***	***	***	***
Product 3	Netherlands	***	***	***	***	***	***	***
Product 3	Poland	***	***	***	***	***	***	***
Product 3	Spain	***	***	***	***	***	***	***
Product 4	United States	***	***	***	***	***	***	***
Product 4	France	***	***	***	***	***	***	***
Product 4	Netherlands	***	***	***	***	***	***	***
Product 4	Poland	***	***	***	***	***	***	***
Product 4	Spain	***	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Percent change column is percentage change from the first quarter 2019 to the last quarter in 2021.

Price comparisons

As shown in tables V-9 and V-10, prices for products imported from subject countries were below those for U.S.-produced product in 113 of 186 instances (52.6 million pounds); margins of underselling ranged from 0.5 to 50.3 percent. In the remaining 73 instances (8.6 million pounds), prices for product from subject countries were between 0.0 and 96.1 percent above prices for the domestic product.

Prices for certain preserved mushrooms imported from France were below those of U.S. produced product in *** of *** instances; margins of underselling ranged from *** to *** percent. In the remaining *** instances, price for certain preserved mushrooms from France were between *** to *** percent above prices for the domestic product.

For certain preserved mushrooms imported from Netherlands, prices were below those of U.S. produced product in *** of *** instances; margins of underselling ranged from *** to *** percent. In the remaining *** instances, price for certain preserved mushrooms from Netherlands were between *** to *** percent higher than above prices for domestic product.

Prices for certain preserved mushrooms imported from Poland were below those of U.S. produced product in *** of *** instances; margins of underselling ranged from *** to *** percent. In the remaining *** instances, price for certain preserved mushrooms from Poland were between *** to *** percent above prices for the domestic product.

Certain preserved mushrooms imports from Spain were priced below U.S. produced product in *** of *** instances with margins of underselling ranging from *** to *** percent. In the remaining *** instances, prices for certain preserved mushrooms from Spain were between *** to *** percent above prices for the domestic product.

Table V-9
Certain preserved mushrooms: Instances of underselling and overselling and the range and average of margins, by product

Quantity in 1,000 pounds drained weight; Margins in percent

Products	Type	Number of quarters	Quantity	Average margin	Min margin	Max margin
Product 1	Underselling	***	***	***	***	***
Product 2	Underselling	***	***	***	***	***
Product 3	Underselling	***	***	***	***	***
Product 4	Underselling	***	***	***	***	***
All products	Underselling	113	***	22.4	0.5	50.3
Product 1	Overselling	***	***	***	***	***
Product 2	Overselling	***	***	***	***	***
Product 3	Overselling	***	***	***	***	***
Product 4	Overselling	***	***	***	***	***
All products	Overselling	73	***	(18.6)	(0.0)	(96.1)

Source: Compiled from data submitted in response to Commission questionnaires.

Note: These data include only quarters in which there is a comparison between the U.S. and subject product.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Table V-10
Certain preserved mushrooms: Instances of underselling and overselling and the range and average of margins, by source

Quantity in 1,000 pounds drained weight; Margins in percent

Sources	Type	Number of quarters	Quantity	Average margin	Min margin	Max margin
France	Underselling	***	***	***	***	***
Netherlands	Underselling	***	***	***	***	***
Poland	Underselling	***	***	***	***	***
Spain	Underselling	***	***	***	***	***
All subject sources	Underselling	113	***	22.4	0.5	50.3
France	Overselling	***	***	***	***	***
Netherlands	Overselling	***	***	***	***	***
Poland	Overselling	***	***	***	***	***
Spain	Overselling	***	***	***	***	***
All subject sources	Overselling	73	***	(18.6)	(0.0)	(96.1)

Source: Compiled from data submitted in response to Commission questionnaires.

Note: These data include only quarters in which there is a comparison between the U.S. and subject product.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Lost sales and lost revenue

The Commission requested that U.S. producers of certain preserved mushrooms report purchasers with which they experienced instances of lost sales or revenue due to competition from imports of certain preserved mushrooms from France, Netherlands, Poland, and Spain during January 2019–December 2021. U.S. producer ***. It identified ***.

Staff contacted *** purchasers and received responses from 4 purchasers. Responding purchasers reported purchasing *** pounds of certain preserved mushrooms during January 2019–December 2021 (table V-11).

During 2021, responding purchasers purchased 34.5 percent of their certain preserved mushrooms from U.S. producers, 46.6 percent from subject countries, and 15.3 percent from “unknown source” countries. Purchasers were asked about changes in their purchasing patterns from different sources since 2019. Of the responding purchasers, two reported fluctuating purchases, one reported no change, and one did not purchase any domestic product.⁷ Explanations for fluctuating purchases of domestic product included an increase in demand from customers and spike in volumes due to the pandemic.

Of the four responding purchasers, three reported that they had purchased imported certain preserved mushrooms from Netherlands instead of U.S.-produced product since 2019 and one reported that it had purchased imported certain preserved mushrooms from France, Poland, or Spain instead of U.S.-produced product. One of these purchasers reported that subject import prices were lower than U.S.-produced product, and none of these purchasers reported that price was a primary reason for the decision to purchase imported product rather than U.S.-produced product. Purchasers identified having a balanced portfolio of products, quality of food and food safety, domestic issues, and lack of production of private label as non-price reasons for purchasing imported rather than U.S.-produced product.

Of the four responding purchasers, none reported that U.S. producers had reduced prices in order to compete with lower-priced imports from subject countries; one reported that they did not know (table V-14).

⁷ Of the four responding purchasers, one purchaser *** indicated that they did not know the source of the certain preserved mushrooms they purchased.

Table V-11
Certain preserved mushrooms: Purchasers' reported purchases and imports, by firm and source

Quantity in 1,000 pounds drained weight; Change in shares in percentage points

Firm	Domestic quantity	Subject quantity	All other quantity	Change in domestic share	Shange in subject share
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: All other includes all other sources and unknown sources. Change is the percentage point change in the share of the firm's total purchases of domestic and/or subject country imports between first and last years.

Table V-12
Certain preserved mushrooms: Purchasers' responses to purchasing subject imports instead of domestic product, by firm

Quantity in 1,000 pounds drained weight

Firm	Purchased subject imports instead of domestic	Imports priced lower	Choice based on price	Quantity	Narrative on reasons for purchasing imports
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	Yes--3; No--0	Yes--1; No--2	Yes--0; No--3	***	NA

Source: Compiled from data submitted in response to Commission questionnaires.

Table V-13**Certain preserved mushrooms: Purchasers' responses to purchasing subject imports instead of domestic product, by source**

Count in number of firms reporting; Quantity in 1,000 pounds drained weight

Source	Purchased subject imports instead of domestic	Imports priced lower	Choice based on price	Quantity
France	***	***	***	***
Netherlands	***	***	***	***
Poland	***	***	***	***
Spain	***	***	***	***
Subject sources	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Table V-14**Certain preserved mushrooms: Purchasers' responses to U.S. producer price reductions, by firm**

Count in number of firms reporting; Price reductions in percent

Purchaser	Reported producers lowered prices	Estimated percent of U.S. price reduction	Explanation
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
All firms	Yes--0; No--3	***	NA

Source: Compiled from data submitted in response to Commission questionnaires.

In responding to the lost sales lost revenue survey, some purchasers provided additional information on purchases and market dynamics. Purchaser *** stated that it purchased domestic and subject import products to maintain a balanced portfolio and that private label products increases customer loyalty.⁸ Purchasers *** and *** stressed the importance of producing private label certain preserved mushrooms for their customers, citing that the domestic producer refused or limited production of private label certain preserved mushrooms.

⁸ HEB postconference brief, pp. 3-4.

Part VI: Financial experience of the U.S. producer

Background¹

One U.S. producer, Giorgio, reported financial results and related information on its U.S. certain preserved mushrooms operations.² As noted previously in this report, the certain preserved mushrooms operations of two other U.S. producers (Monterey and Sunny Dell) were either closed entirely (Monterey in 2019) or substantially reduced during the period (Sunny Dell). *** company submitted a complete U.S. producer questionnaire.

Giorgio's operations on certain preserved mushrooms are vertically integrated with respect to the majority of its fresh mushroom input, as well as containers (metal and glass).^{3 4} Giorgio reported what appear to be modest changes in its operations related to ***.⁵ Giorgio's narrative description regarding the impact of COVID-19 on its financial results is discussed in the *Cost of goods sold and gross profit or loss* section below.

Operations on Certain Preserved Mushrooms

Table VI-1 presents income-and-loss data for Giorgio's operations on certain preserved mushrooms and table VI-2 presents corresponding AUV (dollars per pound drained weight) percentage and unit changes.⁶

¹ The following abbreviations may be used in the tables and/or text of this section: generally accepted accounting principles ("GAAP"), fiscal year ("FY"), net sales ("NS"), cost of goods sold ("COGS"), selling, general, and administrative expenses ("SG&A expenses"), average unit values ("AUVs"), research and development expenses ("R&D expenses"), and return on assets ("ROA").

² Giorgio, a privately held company, reported U.S. GAAP basis financial results for calendar year periods. As described by a Giorgio company official, "Giorgio is a third-generation family-owned company that was founded in 1928." Conference transcript, p. 9 (Loiseau).

³ Conference transcript, pp. 25-26, p. 73 (Loiseau). Giorgio also purchases fresh mushrooms and packaging from unrelated suppliers. Conference transcript, p. 86 (Loiseau).

⁴ Vertical integration with respect to these inputs did not change during the period. Ibid.

⁵ Giorgio U.S. producer questionnaire, responses to II-2a and II-5.

⁶ As noted in the *Net sales* section below, Giorgio's certain preserved mushrooms product mix changed somewhat during the period. Since the Commission's variance analysis is generally more meaningful when product mix remains the same throughout the period, a variance analysis is not presented here.

Table VI-1
Certain preserved mushrooms: Results of operations of U.S. producer Giorgio, by item and period

Quantity in 1,000 pounds drained weight; value in 1,000 dollars; ratios in percent

Item	Measure	2019	2020	2021
Total net sales	Quantity	***	***	***
Total net sales	Value	***	***	***
COGS: Mushrooms purchased from unrelated suppliers	Value	***	***	***
COGS: Mushrooms purchased from related suppliers	Value	***	***	***
COGS: Other raw material inputs	Value	***	***	***
COGS: All raw materials	Value	***	***	***
COGS: Container costs	Value	***	***	***
COGS: Direct labor	Value	***	***	***
COGS: Other factory costs	Value	***	***	***
COGS: Total	Value	***	***	***
Gross profit or (loss)	Value	***	***	***
SG&A expenses	Value	***	***	***
Operating income or (loss)	Value	***	***	***
Interest expense	Value	***	***	***
All other expenses	Value	***	***	***
All other income	Value	***	***	***
Net income or (loss)	Value	***	***	***
Depreciation/amortization	Value	***	***	***
Estimated cash flow from operations	Value	***	***	***
COGS: Mushrooms purchased from unrelated suppliers	Ratio to NS	***	***	***
COGS: Mushrooms purchased from related suppliers	Ratio to NS	***	***	***
COGS: Other raw material inputs	Ratio to NS	***	***	***
COGS: All raw materials	Ratio to NS	***	***	***
COGS: Container costs	Ratio to NS	***	***	***
COGS: Direct labor	Ratio to NS	***	***	***
COGS: Other factory costs	Ratio to NS	***	***	***
COGS: Total	Ratio to NS	***	***	***
Gross profit or (loss)	Ratio to NS	***	***	***
SG&A expenses	Ratio to NS	***	***	***
Operating income or (loss)	Ratio to NS	***	***	***
Net income or (loss)	Ratio to NS	***	***	***

Table continued.

Table VI-1 continued**Certain preserved mushrooms: Results of operations of U.S. producer Giorgio, by item and period**

Shares in percent; unit values in dollars per pound drained weight; count in number of firms reporting

Item	Measure	2019	2020	2021
COGS: Mushrooms purchased from unrelated suppliers	Share	***	***	***
COGS: Mushrooms purchased from related suppliers	Share	***	***	***
COGS: Other raw material inputs	Share	***	***	***
COGS: All raw materials	Share	***	***	***
COGS: Container costs	Share	***	***	***
COGS: Direct labor	Share	***	***	***
COGS: Other factory costs	Share	***	***	***
COGS: Total	Share	***	***	***
Total net sales	Unit value	***	***	***
COGS: Mushrooms purchased from unrelated suppliers	Unit value	***	***	***
COGS: Mushrooms purchased from related suppliers	Unit value	***	***	***
COGS: Other raw material inputs	Unit value	***	***	***
COGS: All raw materials	Unit value	***	***	***
COGS: Container costs	Unit value	***	***	***
COGS: Direct labor	Unit value	***	***	***
COGS: Other factory costs	Unit value	***	***	***
COGS: Total	Unit value	***	***	***
Gross profit or (loss)	Unit value	***	***	***
SG&A expenses	Unit value	***	***	***
Operating income or (loss)	Unit value	***	***	***
Net income or (loss)	Unit value	***	***	***
Operating losses	Count	***	***	***
Net losses	Count	***	***	***
Data	Count	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Ratios represent the ratio to net sales value and shares represent the share of COGS.

Table VI-2
Certain preserved mushrooms: Changes in U.S. producer Giorgio's AUVs between comparison periods

Changes in percent

Item	2019-21	2019-20	2020-21
Total net sales	***	***	***
COGS: Mushrooms purchased from unrelated suppliers	***	***	***
COGS: Mushrooms purchased from related suppliers	***	***	***
COGS: Other raw material inputs	***	***	***
COGS: All raw materials	***	***	***
COGS: Container costs	***	***	***
COGS: Direct labor	***	***	***
COGS: Other factory costs	***	***	***
COGS: Total	***	***	***

Table continued.

Table VI-2 continued
Certain preserved mushrooms: Changes in U.S. producer Giorgio's AUVs between comparison periods

Changes in dollars per pound drained weight

Item	2019-21	2019-20	2020-21
Total net sales	***	***	***
COGS: Mushrooms purchased from unrelated suppliers	***	***	***
COGS: Mushrooms purchased from related suppliers	***	***	***
COGS: Other raw material inputs	***	***	***
COGS: All raw materials	***	***	***
COGS: Container costs	***	***	***
COGS: Direct labor	***	***	***
COGS: Other factory costs	***	***	***
COGS: Total	***	***	***
Gross profit or (loss)	***	***	***
SG&A expenses	***	***	***
Operating income or (loss)	***	***	***
Net income or (loss)	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "--". Period changes preceded by a "▲" represent an increase, while period changes preceded by a "▼" represent a decrease.

Net sales

*** sales of certain preserved mushrooms were classified as U.S. commercial sales. ***.⁷ Giorgio did *** sell certain preserved mushrooms on a consignment basis during the period examined.⁸

Quantity

Total sales quantity of certain preserved mushrooms increased in 2020 and then declined in 2021, reflecting its *** and *** sales quantities of the period, respectively. While Giorgio reported its *** sales quantity in 2021, production was at its *** level in that year (see table III-3).⁹

Value

Notwithstanding an overall increase during the period, sales AUV of certain preserved mushrooms remained within a relatively narrow range: declining to its lowest level in 2020 and then increasing to its highest level in 2021. As shown in table VI-2 and while changes in sales AUVs were more pronounced, sales AUVs and total raw material cost AUVs shared the same directional pattern.¹⁰ In addition to efforts to pass through higher input costs in sales value, changes in sales AUVs include the impact of changes in product mix.¹¹

⁷ Giorgio U.S. producer questionnaire, response to II-5. Petitioner's postconference brief, Response to Staff Questions, p. 10.

⁸ Petitioner's postconference brief, Response to Staff Questions, p. 13.

⁹ ***. Submission from ***, April 25, 2022.

¹⁰ As confirmed by a Giorgio company official, certain preserved mushrooms sales value does not incorporate a formulaic passthrough of raw material costs. Conference transcript, p. 85 (Loiseau).

¹¹ As described by a Giorgio company official, ". . . there is a product mix factor at play that can affect your average {certain preserved mushrooms} unit value in every given year. . . {there are} different products, let's say whole button versus pieces and stem. That is one factor. You also have 4-ounce versus 8-ounce, and that can throw significant noise into your average unit value. And I will confirm, in particular through COVID, that our product mix was affected significantly and I do believe in particular that we were shipping much more of the higher 8-ounce product as well." Conference transcript, pp. 83-84 (Loiseau). Petitioner's postconference brief, Response to Staff Questions, p. 13.

Cost of goods sold and gross profit or loss

Raw materials and Containers

Total raw material cost (ranging from *** percent of total COGS (***) to *** percent (***)) is the largest component of certain preserved mushrooms COGS and primarily reflects purchased fresh mushrooms. The majority of fresh mushrooms is in turn purchased from related suppliers.¹² Other raw material costs, identified as ***, account for a relatively small share of total raw material.¹³

During the period, a Giorgio company official noted that operations on certain preserved mushrooms incurred higher costs for fresh mushrooms and packaging.¹⁴ As shown in table VI-1, total raw material cost AUVs declined marginally in 2020 and then increased somewhat in 2021. The average cost of fresh mushrooms purchased from related suppliers *** overall between 2019 and 2021, while the average cost of fresh mushrooms purchased from unrelated suppliers ***. As also shown in table VI-1, the average cost of fresh mushrooms from related suppliers was *** throughout the period compared to the average cost of fresh mushrooms purchased from unrelated suppliers.¹⁵

¹² Conference transcript, p. 86 (Loiseau). ***. *** U.S. producer questionnaire, response to III-7. ***. Ibid. Giorgio's related mushroom growers also sell to unrelated customers, accounting for the majority of their total fresh mushroom sales. Conference transcript, p. 86 (Loiseau).

¹³ *** U.S. producer questionnaire, response to III-9b.

¹⁴ Conference transcript, p. 73 (Loiseau).

¹⁵ ***. Submission from ***, April 25, 2022. ***. Ibid.

Container costs, accounting for the third largest share of certain preserved mushrooms COGS, ranged from *** percent of COGS (***) to *** percent (***)¹⁶. Container cost AUVs increased overall between 2019 and 2021, but remained within a relatively narrow range.¹⁷

Direct labor and other factory costs

Direct labor and other factory costs were the fourth and second largest components of certain preserved mushrooms COGS, respectively. Direct labor cost ranged from *** percent of total COGS (***) to *** percent (***) and other factory costs ranged from *** percent (***) to *** percent (***)¹⁸. As shown in table VI-2 direct labor cost and other factory costs AUVs followed different directional patterns: average direct labor cost increasing throughout the period,¹⁸ while average other factory costs declined in 2020 followed by a marginal increase in 2021.

Production and corresponding capacity utilization levels were noted as important factors in terms of overhead absorption.¹⁹ As noted previously, Giorgio's certain preserved mushrooms production volume and capacity utilization *** in 2020 and 2021 (see table III-3). In 2020, the *** in average other factory costs (see table VI-2) is consistent with *** in that year. Notwithstanding the continued *** in

¹⁶ ***. *** U.S. producer questionnaire, response to III-9c.

¹⁷ A Giorgio company official noted “. . . our glass packaging also comes from a sister company overseas, so we were also affected by some of the international transport costs on those products . . . {accounting} for a very small piece of our business.” Conference transcript, pp. 73-74 (Loiseau). See also footnote 12.

¹⁸ As shown in table III-7, PRW hourly wages, of which direct labor would be included as a subset, *** in 2020 and then *** marginally in 2021.

¹⁹ In the context of COGS, overhead absorption would generally refer to other factory costs and the extent to which these costs are spread over production volume. With regard to the importance of production volume and in the context of private label versus branded product, a Giorgio company official noted that “The role that its {private label} has . . . is that it allows us to continue to produce additional volume under the label of a retailer. It is the exact same product. And usually the role of private label can be additional volume to help absorb your overhead costs to keep lines running and to continue to allow volume to flow through your business.” Conference transcript, p. 65 (Loiseau). Similarly, but related to a question regarding the level at which the company routinely monitors certain preserved mushrooms financial results, it was noted “. . . we have to be more creative on those {financial} metrics, and then you get into variable contribution margin, you get into, well, what if the business goes away and we cannot even absorb the fixed cost base that the business previously had. All of these are mitigating factors that allow you to consider to continue to reduce your prices because it is the less of evils in terms of an overall impact it'll have on your P&L {profit and loss statement} if you keep or lose the business.” Conference transcript, pp. 89-90 (Loiseau).

production volume and capacity utilization in 2021, the absence of a continued *** in average other factory costs in that year may reflect the *** of total other factory costs accounted for by fixed other factory costs, as well as the relatively smaller *** in production volume and capacity utilization in 2021 compared to 2020.²⁰

Gross profit or loss

Giorgio reported gross *** of varying magnitude on its operations on certain preserved mushrooms throughout the period. As shown in table VI-1, the gross *** ratio (total *** divided by total sales) expanded in 2020, reflecting a percentage decline in sales AUV that exceeded the corresponding percentage decline in COGS AUV (see table VI-2). In conjunction with an increase in total sales, total gross *** also increased in 2020. This pattern reversed in 2021: gross *** ratio contracted, reflecting a percentage increase in sales AUV that exceeded the corresponding increase in COGS AUV, and total sales declined, yielding a decline in total gross ***.²¹

Giorgio indicated that COVID-19 mitigation efforts ***.²² As described by the company, ***,²³

²⁰ ***. USITC auditor notes (preliminary phase). Petitioner's postconference brief, Response to Staff Questions, p. 14. ***. Ibid.

²¹ Based on the breakout of fixed and variable costs provided by Giorgio (see footnote 20), the company's certain preserved mushrooms sales generated (at the COGS level) ***. USITC auditor notes (preliminary phase). At the COGS level, a negative contribution margin means that total sales value was lower than variable COGS. A positive contribution margin means total sales value exceeded variable COGS. As described in footnote 19, a Giorgio company official indicated that contribution margin is a consideration when determining acceptable certain preserved mushrooms sales values.

²² Giorgio U.S. producer questionnaire, response to III-11. ***. Giorgio U.S. producer questionnaire, response to III-10.

²³ Giorgio U.S. producer questionnaire, response to III-18.

SG&A expenses and operating income or loss

Total SG&A expenses increased to their highest level in 2020, in conjunction with the highest level of sales in that year. While declining somewhat in 2021, in conjunction with lower sales, total SG&A expenses remained higher than the level reported in 2019. SG&A expense ratios (total SG&A expenses divided by total sales) increased in 2020 and 2021: in 2020, reflecting a larger percentage increase in total SG&A expenses compared to the corresponding increase in total sales, and in 2021, reflecting a smaller percentage decline in SG&A expenses compared to the corresponding decline in total sales. As noted above, Giorgio reported that the ***.

While amplifying operating *** to some extent, the level of SG&A expenses in general, and increasing SG&A expense ratios specifically, were secondary factors in terms of explaining the pattern of *** at the operating level.

Interest expense, other expenses and income, and net income or loss

With the exception of a relatively small level of *** reported throughout the period, *** other items (i.e., interest expense or other expenses) were reported below operating results.²⁴ As such, operating and net results on certain preserved mushrooms (both sharing the same directional pattern of increasing and decreasing *** in 2020 and 2021, respectively) were essentially the same amounts throughout the period.

²⁴ ***. Petitioner's postconference brief, Response to Staff Questions, p. 10.

Capital expenditures, R&D expenses, total net assets and return on assets

Table VI-3 presents Giorgio's capital expenditures, R&D expenses, total net assets, and corresponding ROA, respectively.²⁵ Table VI-4 presents corresponding narrative descriptions regarding capital expenditures and R&D expenses.

Table VI-3
Certain preserved mushrooms: Capital expenditures, R&D expenses, net assets, and ROA of the U.S. producer, by period

Value in 1,000 dollars; ratio in percent

Item	Measure	2019	2020	2021
Capital expenditures	Value	***	***	***
R&D expenses	Value	***	***	***
Net assets	Value	***	***	***
Return on net assets	Ratio	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Table VI-4
Certain preserved mushrooms: Narrative descriptions of the U.S. producer's capital expenditures and R&D expenses

Firm	Narrative
Capital expenditures	***
R&D expenses	***

Source: Compiled from data submitted in response to Commission questionnaires.

²⁵ ROA is calculated here as operating income divided by total assets. With respect to a company's overall operations, staff notes that a total asset value (i.e., the bottom line value on the asset side of a company's balance sheet) reflects an aggregation of a number of current and non-current assets, which, in many instances, are not product specific. The ability of a U.S. producer to assign total asset values to discrete product lines affects the meaningfulness of calculated operating return on net assets.

Capital and investment

The Commission requested U.S. producers to describe any actual or potential negative effects of imports of certain preserved mushrooms from France, Netherlands, Poland, and Spain on their growth, investment, ability to raise capital, development and production efforts, or the scale of capital investments. Table VI-5 presents the effects reported and table VI-6 provides the responding U.S. producer's narrative descriptions.

Table VI-5
Certain preserved mushrooms: Count indicating actual and anticipated negative effects of imports from subject sources on investment, growth, and development since January 1, 2019, by effect

Number of firms reporting

Effect	Category	Count
Cancellation, postponement, or rejection of expansion projects	Investment	***
Denial or rejection of investment proposal	Investment	***
Reduction in the size of capital investments	Investment	***
Return on specific investments negatively impacted	Investment	***
Other investment effects	Investment	***
Any negative effects on investment	Investment	***
Rejection of bank loans	Growth	***
Lowering of credit rating	Growth	***
Problem related to the issue of stocks or bonds	Growth	***
Ability to service debt	Growth	***
Other growth and development effects	Growth	***
Any negative effects on growth and development	Growth	***
Anticipated negative effects of imports	Future	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note.--***.

Table VI-6
Certain preserved mushrooms: Narratives relating to actual and anticipated negative effects of imports on investment, growth, and development, since January 1, 2019

Item	Firm name and accompanying narrative response
***	***
***	***
***	***
***	***
***	***
***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note.—***.

Part VII: Threat considerations and information on nonsubject countries

Section 771(7)(F)(i) of the Act (19 U.S.C. § 1677(7)(F)(i)) provides that—

In determining whether an industry in the United States is threatened with material injury by reason of imports (or sales for importation) of the subject merchandise, the Commission shall consider, among other relevant economic factors¹--

- (I) if a countervailable subsidy is involved, such information as may be presented to it by the administering authority as to the nature of the subsidy (particularly as to whether the countervailable subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement), and whether imports of the subject merchandise are likely to increase,*
- (II) any existing unused production capacity or imminent, substantial increase in production capacity in the exporting country indicating the likelihood of substantially increased imports of the subject merchandise into the United States, taking into account the availability of other export markets to absorb any additional exports,*
- (III) a significant rate of increase of the volume or market penetration of imports of the subject merchandise indicating the likelihood of substantially increased imports,*
- (IV) whether imports of the subject merchandise are entering at prices that are likely to have a significant depressing or suppressing effect on domestic prices, and are likely to increase demand for further imports,*
- (V) inventories of the subject merchandise,*

¹ Section 771(7)(F)(ii) of the Act (19 U.S.C. § 1677(7)(F)(ii)) provides that “The Commission shall consider {these factors} . . . as a whole in making a determination of whether further dumped or subsidized imports are imminent and whether material injury by reason of imports would occur unless an order is issued or a suspension agreement is accepted under this title. The presence or absence of any factor which the Commission is required to consider . . . shall not necessarily give decisive guidance with respect to the determination. Such a determination may not be made on the basis of mere conjecture or supposition.”

- (VI) 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,*
- (VII) in any investigation under this title which involves imports of both a raw agricultural product (within the meaning of paragraph (4)(E)(iv)) and any product processed from such raw agricultural product, the likelihood that there will be increased imports, by reason of product shifting, if there is an affirmative determination by the Commission under section 705(b)(1) or 735(b)(1) with respect to either the raw agricultural product or the processed agricultural product (but not both),*
- (VIII) the actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the domestic like product, and*
- (IX) any other demonstrable adverse trends that indicate the probability that there is likely to be material injury by reason of imports (or sale for importation) of the subject merchandise (whether or not it is actually being imported at the time).²*

Information the volume and pricing of imports of the subject merchandise is presented in Parts IV and V; and information on the effects of imports of the subject merchandise on U.S. producers' existing development and production efforts is presented in Part VI. Information on inventories of the subject merchandise; foreign producers' operations, including the potential for "product-shifting;" any other threat indicators, if applicable; and any dumping in third-country markets, follows. Also presented in this section of the report is information obtained for consideration by the Commission on nonsubject countries.

² Section 771(7)(F)(iii) of the Act (19 U.S.C. § 1677(7)(F)(iii)) further provides that, in antidumping investigations, ". . . the Commission shall consider whether dumping in the markets of foreign countries (as evidenced by dumping findings or antidumping remedies in other WTO member markets against the same class or kind of merchandise manufactured or exported by the same party as under investigation) suggests a threat of material injury to the domestic industry."

The industry in France

The Commission issued foreign producers' or exporters' questionnaires to four firms believed to produce and/or export certain preserved mushrooms from France.³ One firm responded to the Commission's questionnaire: Bonduelle Europe Long Life SAS ("Bonduelle Europe"). This firm's exports to the United States were equivalent to *** of U.S. imports of certain preserved mushrooms from France in 2021. According to estimates requested of the responding producer in France, the production of certain preserved mushrooms in France reported in its questionnaire accounts for approximately *** percent of overall production of certain preserved mushrooms in France during 2021.⁴ Table VII-1 presents information on the certain preserved mushrooms operations of the responding producer in France.⁵

³ These firms were identified through a review of information submitted in the petition and presented in third-party sources.

⁴ Bonduelle Europe ***. *** foreign producer questionnaire response, section II-10.

⁵ Bonduelle Europe indicated that ***. Email correspondence with *** April 26, 2022.

Table VII-1
Certain preserved mushrooms: Summary data for the responding producer in France, 2021

Firm	Production (1,000 pounds drained weight)	Share of reported production (percent)	Exports to the United States (1,000 pounds drained weight)	Share of reported exports to the United States (percent)	Total shipments (1,000 pounds drained weight)	Share of firm's total shipments exported to the United States (percent)
Bonduelle France	***	***	***	***	***	***
All firms	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Changes in operations

As presented in table VII-2, the sole producer in France reported operational and organizational changes since January 1, 2019.

Table VII-2
Certain preserved mushrooms: Reported changes in operations in France since January 1, 2019, by firm

Item	Firm name and accompanying narrative response
Acquisitions	***

Source: Compiled from data submitted in response to Commission questionnaires.

Operations on certain preserved mushrooms

Table VII-3 presents information on the certain preserved mushrooms operations of the responding producer in France. During 2019-21, Bonduelle Europe's capacity ***. In 2021, Bonduelle Europe's production ***. The French producer reported ***, while home market shipments were *** during 2021. During 2019-20, exports to the United States ***, but increased in 2021.

Bonduelle Europe's capacity utilization rate was *** percent during ***. Home market shipments accounted for *** of total shipments, as a share during 2021. During 2021, exports to the United States and all other markets accounted for ***. Other export markets (other than the U.S.) included ***.

Projections for Bonduelle Europe’s 2022 and 2023’s capacity and production ***. Bonduelle Europe’s exports to all other markets and exports to the United States are projected to ***.

Table VII-3
Certain preserved mushrooms: Data on the industry in France, by period

Quantity in 1,000 pounds drained weight

Item	2019	2020	2021	Projection 2022	Projection 2023
Capacity	***	***	***	***	***
Production	***	***	***	***	***
End-of-period inventories	***	***	***	***	***
Internal consumption	***	***	***	***	***
Commercial home market shipments	***	***	***	***	***
Home market shipments	***	***	***	***	***
Exports to the United States	***	***	***	***	***
Exports to all other markets	***	***	***	***	***
Export shipments	***	***	***	***	***
Total shipments	***	***	***	***	***

Table continued.

Table VII-3 Continued
Certain preserved mushrooms: Data on the industry in France, by period

Shares and ratios in percent

Item	2019	2020	2021	Projection 2022	Projection 2023
Capacity utilization ratio	***	***	***	***	***
Inventory ratio to production	***	***	***	***	***
Inventory ratio to total shipments	***	***	***	***	***
Internal consumption share	***	***	***	***	***
Commercial home market shipments share	***	***	***	***	***
Home market shipments share	***	***	***	***	***
Exports to the United States share	***	***	***	***	***
Exports to all other markets share	***	***	***	***	***
Export shipments share	***	***	***	***	***
Total shipments share	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as “0.0” represent values greater than zero, but less than “0.05” percent. Zeroes, null values, and undefined calculations are suppressed and shown as “--”.

Alternative products

As shown in table VII-4, the responding producer in France produced other products on the same equipment and machinery used to produce certain preserved mushrooms. ***. Out-of-scope production on the same equipment ***.⁶

⁶ Bonduelle Europe indicated ***. Email correspondence with *** April 26, 2022.

Table VII-4**Certain preserved mushrooms: French producers' overall capacity and production on the same equipment as subject production, by period**

Quantity in 1,000 pounds drained weight; ratio and share in percent

Item	Measure	2019	2020	2021
Overall capacity	Quantity	***	***	***
Certain preserved mushrooms production	Quantity	***	***	***
Other production	Quantity	***	***	***
Total production	Quantity	***	***	***
Overall capacity utilization	Ratio	***	***	***
Certain preserved mushrooms production	Share	***	***	***
Other production	Share	***	***	***
Total production	Share	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Exports

According to GTA, the leading export markets for prepared or preserved mushrooms from France are the United States and Germany (table VII-5). During 2021, the United States was the largest export market for prepared or certain preserved mushrooms from France, accounting for 30.2 percent, followed by Germany, accounting for 20.2 percent, and Belgium, accounting for 10.7 percent.

Table VII-5
Prepared or preserved mushrooms: Exports from France, by destination market and period

Quantity in 1,000 pounds drained weight; value in 1,000 dollars

Destination market	Measure	2019	2020	2021
United States	Quantity	7,708	6,226	2,489
Germany	Quantity	1,772	1,680	1,664
Belgium	Quantity	841	1,372	880
Netherlands	Quantity	1,903	480	666
Algeria	Quantity	923	435	401
Greece	Quantity	68	443	368
Austria	Quantity	232	267	284
Morocco	Quantity	520	89	255
Spain	Quantity	28	204	134
All other destination markets	Quantity	2,217	1,960	1,095
All destination markets	Quantity	16,211	13,156	8,238
United States	Value	9,802	7,508	3,851
Germany	Value	2,519	2,686	2,856
Belgium	Value	1,360	1,711	1,153
Netherlands	Value	1,343	345	527
Algeria	Value	1,041	543	450
Greece	Value	100	449	410
Austria	Value	332	392	448
Morocco	Value	456	94	184
Spain	Value	40	394	236
All other destination markets	Value	2,294	2,116	1,409
All destination markets	Value	19,287	16,240	11,523

Table continued.

Table VII-5-Continued**Prepared or preserved mushrooms: Exports from France, by destination market and period**

Unit values in dollars per pound drained weight; shares in percent

Destination market	Measure	2019	2020	2021
United States	Unit value	1.27	1.21	1.55
Germany	Unit value	1.42	1.60	1.72
Belgium	Unit value	1.62	1.25	1.31
Netherlands	Unit value	0.71	0.72	0.79
Algeria	Unit value	1.13	1.25	1.12
Greece	Unit value	1.47	1.01	1.11
Austria	Unit value	1.43	1.47	1.58
Morocco	Unit value	0.88	1.06	0.72
Spain	Unit value	1.44	1.93	1.75
All other destination markets	Unit value	1.03	1.08	1.29
All destination markets	Unit value	1.19	1.23	1.40
United States	Share of quantity	47.5	47.3	30.2
Germany	Share of quantity	10.9	12.8	20.2
Belgium	Share of quantity	5.2	10.4	10.7
Netherlands	Share of quantity	11.7	3.6	8.1
Algeria	Share of quantity	5.7	3.3	4.9
Greece	Share of quantity	0.4	3.4	4.5
Austria	Share of quantity	1.4	2.0	3.4
Morocco	Share of quantity	3.2	0.7	3.1
Spain	Share of quantity	0.2	1.6	1.6
All other destination markets	Share of quantity	13.7	14.9	13.3
All destination markets	Share of quantity	100.0	100.0	100.0

Source: Official exports statistics under HS subheading 2003.10 as reported by Eurostat in the Global Trade Atlas database, accessed April 27, 2022.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---". United States is shown at the top, all remaining top export destinations shown in descending order of 2021 data.

The industry in Netherlands

The Commission issued foreign producers' or exporters' questionnaires to six firms believed to produce and/or export certain preserved mushrooms from the Netherlands.⁷ Two firms responded to the Commission's questionnaire: Prochamp BV ("Prochamp")⁸ and Okechamp BV ("Okechamp BV"). These firms' exports to the United States were equivalent to *** percent of U.S. imports of certain preserved mushrooms from the Netherlands in 2021. According to estimates requested of the responding producers in the Netherlands, the production of certain preserved mushrooms in the Netherlands reported in their questionnaire's accounts for approximately *** percent of overall production of certain preserved mushrooms in the Netherlands during 2021.⁹ Table VII-6 presents information on the certain preserved mushrooms operations of the responding producer the Netherlands.¹⁰

⁷ These firms were identified through a review of information submitted in the petition and presented in third-party sources.

⁸ Prochamp is a fully integrated mushroom production company, and it details its production processes on its website. <https://prochamp.nl/about-us/production-process/>.

⁹ *** to provide an estimate of its share of production of certain preserved mushrooms in the Netherlands during 2021. ***. Email correspondence with *** April 22, 2022.

¹⁰ In 2021, Greenyard Prepared Vineyards (Netherlands) was acquired by the Cornerstone investment group. This resulted in the Polish certain preserved mushrooms producer, Okechamp SA, combining with Greenyard Prepared Vineyards, which eventually became Okechamp BV. These firms combined became the Okechamp Group. According to its website, Poland is the largest producer of mushrooms in Europe, with their annual volume of 340,00 tons of mushrooms per year (both preserved and fresh). The second largest producer is the Netherlands with production of 300,000 tons per year, and they specialize in mechanically harvested and eventually processed mushrooms. The Okechamp Group further intends to invest and expand production of mushrooms in the Netherlands. <https://okechamp.pl/en/polskie-firmy-wchodza-na-zagraniczne-ryniki-i-tworza-wspolny-projekt/>. Announced on March 1, 2022.

Additionally, Okechamp BV has a canning factory in Velden, Netherlands, which according to its website, is a modern processing plant for top quality processed mushrooms of different classes, in cans and jars. It lists Okechamp BV as an exporter to the European Union countries and throughout the world. <https://okechamp.pl/en/kim-jestesmy/struktura/>.

Table VII-6
Certain preserved mushrooms: Summary data for producers in Netherlands, 2021

Quantity in 1,000 pounds drained weight; share in percent

Firm	Production (1,000 pounds drained weight)	Share of reported production (percent)	Exports to the United States (1,000 pounds drained weight)	Share of reported exports to the United States (percent)	Total shipments (1,000 pounds drained weight)	Share of firm's total shipments exported to the United States (percent)
Prochamp	***	***	***	***	***	***
Okechamp B.V.	***	***	***	***	***	***
All firms	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Changes in operations

As presented in table VII-7, certain preserved mushrooms producers in the Netherlands reported operational and organizational changes since January 1, 2019.

Table VII-7
Certain preserved mushrooms: Reported changes in operations by producers in the Netherlands since January 1, 2019

Item	Firm name and accompanying narrative response
Consolidations	***
Revised labor agreements	***
Other	***

Source: Compiled from data submitted in response to Commission questionnaires.

Operations on certain preserved mushrooms

Table VII-8 presents information on the certain preserved mushrooms operations of producers in the Netherlands. During 2019-21, the Dutch producers' capacity fluctuated from 2019 to 2020 (increasing by *** percent), but ultimately decreased by *** percent from 2019-21. During 2019-21, Dutch producers' certain preserved mushrooms production fluctuated but increased by *** percent from 2019-21. During 2019-21, Dutch producers' end-of-period inventories fluctuated but increased by *** percent. Dutch producers' internal consumption

decreased by *** percent from 2019 to 2021, while home market shipments increased by *** percent during 2019-21. During 2019-21, exports to the United States increased by *** percent, while exports to all other markets fluctuated, but decreased by *** percent during 2019-21. Other export markets include ***.¹¹

Dutch producers' capacity utilization increased by *** percentage points during 2019-21. The vast majority of Dutch producer's shipments of certain preserved mushrooms were exported to all other markets, accounting for *** in each year.

Projections for the Dutch producers' 2022 and 2023 capacity *** , while its production *** . ***), respectively, in both 2022 and 2023, compared to 2021.

Table VII-8
Certain preserved mushrooms: Data on industry for producers in Netherlands, by period

Quantity in 1,000 pounds drained weight

Item	2019	2020	2021	Projection 2022	Projection 2023
Capacity	***	***	***	***	***
Production	***	***	***	***	***
End-of-period inventories	***	***	***	***	***
Internal consumption	***	***	***	***	***
Commercial home market shipments	***	***	***	***	***
Home market shipments	***	***	***	***	***
Exports to the United States	***	***	***	***	***
Exports to all other markets	***	***	***	***	***
Export shipments	***	***	***	***	***
Total shipments	***	***	***	***	***

Table continued.

¹¹ Prochamp indicated that ***. Email correspondence with *** April 22, 2022.

Table VII-8-Continued
Certain preserved mushrooms: Data for producers in Netherlands, by period

Shares and ratios in percent

Item	2019	2020	2021	Projection 2022	Projection 2023
Capacity utilization ratio	***	***	***	***	***
Inventory ratio to production	***	***	***	***	***
Inventory ratio to total shipments	***	***	***	***	***
Internal consumption share	***	***	***	***	***
Commercial home market shipments share	***	***	***	***	***
Home market shipments share	***	***	***	***	***
Exports to the United States share	***	***	***	***	***
Exports to all other markets share	***	***	***	***	***
Export shipments share	***	***	***	***	***
Total shipments share	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Alternative products

As shown in table VII-9, the producers in the Netherlands ***. Prochamp further indicated ***.¹² Okechamp BV indicated ***.¹³

¹² Email correspondence with *** April 22, 2022.

¹³ Email correspondence with *** April 25, 2022.

Table VII-9

Certain preserved mushrooms: Producers' in Netherlands overall capacity and production on the same equipment as subject production, by period

Quantity in 1,000 pounds drained weight; ratio and share in percent

Item	Measure	2019	2020	2021
Overall capacity	Quantity	***	***	***
Certain preserved mushrooms production	Quantity	***	***	***
Other production	Quantity	***	***	***
Total production	Quantity	***	***	***
Overall capacity utilization	Ratio	***	***	***
Certain preserved mushrooms production	Share	***	***	***
Other production	Share	***	***	***
Total production	Share	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Exports

According to GTA, the leading export markets for prepared or preserved mushrooms from the Netherlands are Belgium and the United States (table VII-10). During 2021, the United States was the second largest export market for certain preserved mushrooms from the Netherlands, accounting for 13.6 percent, preceded by Belgium, accounting for 52.2 percent.

Table VII-10
Prepared or preserved mushrooms: Exports from Netherlands, by period

Quantity in 1,000 pounds in drained weight; value in 1,000 dollars

Destination market	Measure	2019	2020	2021
United States	Quantity	45,862	43,596	41,249
Belgium	Quantity	74,632	123,682	158,114
Germany	Quantity	19,574	30,075	25,774
France	Quantity	10,216	18,158	23,526
Italy	Quantity	10,076	9,883	9,603
United Kingdom	Quantity	3,651	4,701	5,896
Israel	Quantity	3,956	2,925	5,541
Greece	Quantity	5,366	4,585	3,477
Spain	Quantity	480	821	2,591
All other destination markets	Quantity	24,698	31,297	27,129
All destination markets	Quantity	198,511	269,721	302,899
United States	Value	57,390	57,253	66,755
Belgium	Value	74,162	98,625	106,406
Germany	Value	19,399	24,824	31,879
France	Value	10,733	11,195	25,285
Italy	Value	5,084	4,214	6,657
United Kingdom	Value	2,580	3,107	7,009
Israel	Value	6,174	5,255	8,207
Greece	Value	3,571	2,977	2,919
Spain	Value	573	1,209	3,303
All other destination markets	Value	25,963	32,485	31,973
All destination markets	Value	205,627	241,144	290,393

Table continued.

Table VII-10—Continued
Prepared or preserved mushrooms: Exports from Netherlands, by period

Unit value in dollars per pound; share in percent

Destination market	Measure	2019	2020	2021
United States	Unit value	1.25	1.31	1.62
Belgium	Unit value	0.99	0.80	0.67
Germany	Unit value	0.99	0.83	1.24
France	Unit value	1.05	0.62	1.07
Italy	Unit value	0.50	0.43	0.69
United Kingdom	Unit value	0.71	0.66	1.19
Israel	Unit value	1.56	1.80	1.48
Greece	Unit value	0.67	0.65	0.84
Spain	Unit value	1.19	1.47	1.27
All other destination markets	Unit value	1.05	1.04	1.18
All destination markets	Unit value	1.04	0.89	0.96
United States	Share of quantity	23.1	16.2	13.6
Belgium	Share of quantity	37.6	45.9	52.2
Germany	Share of quantity	9.9	11.2	8.5
France	Share of quantity	5.1	6.7	7.8
Italy	Share of quantity	5.1	3.7	3.2
United Kingdom	Share of quantity	1.8	1.7	1.9
Israel	Share of quantity	2.0	1.1	1.8
Greece	Share of quantity	2.7	1.7	1.1
Spain	Share of quantity	0.2	0.3	0.9
All other destination markets	Share of quantity	12.4	11.6	9.0
All destination markets	Share of quantity	100.0	100.0	100.0

Source: Official exports statistics under HS subheading 2003.10 as reported by Eurostat in the Global Trade Atlas database, accessed April 27, 2022.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---". United States is shown at the top, all remaining top export destinations shown in descending order of 2021 data.

The industry in Poland

The Commission issued foreign producers' or exporters' questionnaires to five firms believed to produce and/or export certain preserved mushrooms in Poland.¹⁴ Two firms responded to the Commission's questionnaire: Bonduelle Poland. ("Bonduelle Poland") and Okechamp SA. These firms' exports to the United States were equivalent to *** percent of U.S. imports of certain preserved mushrooms from Poland in 2021. According to estimates requested of the responding producer in Poland, the production of certain preserved mushrooms in Poland reported in the questionnaire responses accounts for approximately *** percent of overall production of certain preserved mushrooms in Poland during 2021.¹⁵ Table VII-11 presents information on the certain preserved mushrooms operations of the responding producers in Poland.¹⁶

Table VII-11
Certain preserved mushrooms: Summary data for producers in Poland, 2021

Firm	Production (1,000 pounds drained weight)	Share of reported production (percent)	Exports to the United States (1,000 pounds drained weight)	Share of reported exports to the United States (percent)	Total shipments (1,000 pounds drained weight)	Share of firm's total shipments exported to the United States (percent)
Bonduelle Poland	***	***	***	***	***	***
Okechamp SA	***	***	***	***	***	***
All firms	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

¹⁴ These firms were identified through a review of information submitted in the petition and presented in third-party sources.

¹⁵ *** indicated other Polish companies that may be involved in the certain preserved mushrooms business include; ***. Email correspondence with *** April 25, 2022.

¹⁶ According to its website, Okechamp SA is structured with its mushroom groweries located in Borucino, Poland, where some of its mushrooms intended for processing are mechanically harvested. In addition to its groweries, Okechamp SA has a canning factory located in Grodzisk, Poland. This production facility processes both mushrooms and vegetables into both glass jars and cans.

<https://okechamp.pl/en/kim-jestesmy/struktura/>.

Changes in operations

As presented in table VII-12, the Polish producers reported operational and organizational changes since January 1, 2019.¹⁷

Table VII-12

Certain preserved mushrooms: Reported changes in operations in Poland since January 1, 2019

Item	Firm name and accompanying narrative response
Plant openings	***
Consolidations	***
Other	***

Source: Compiled from data submitted in response to Commission questionnaires.

Operations on certain preserved mushrooms

Table VII-13 presents information on the certain preserved mushrooms operations of the Polish producers. During 2019-21, the combined Polish producers' capacity increased by *** percent. During 2019-21, the Polish producers' production increased by *** percent. During 2019-21, the Polish producers' end-of-period inventories increased by *** percent. The Polish producers' reported ***, while home market shipments were *** during 2019-21. During 2019-21, exports to the United States increased by *** percent, and exports to all other markets increased by *** percent.

The Polish producer's capacity utilization fluctuated *** during 2019-21. The Polish producers' exports to the United States, as a share of total shipments, ***, while exports to the

¹⁷ Okechamp SA indicated that ***. Email correspondence with *** April 25, 2022.

U.S. as a share of total shipments was higher in 2021 than in 2019. Polish producers export shipments as a share of total shipments accounted for *** during any year. The Polish producers identified all other export markets that include ***.^{18 19}

Projections for the Polish producer's 2022 and 2023 capacity ***, while its production ***. In addition, the Polish producers' total exports are both projected to decrease in 2022 and 2023, while exports to the United States are projected to increase.

¹⁸ Email correspondence with *** April 25, 2022.

¹⁹ Bonduelle Poland listed ***. Bonduelle Poland further indicated that ***. Email correspondence with *** April 26, 2022.

Table VII-13
Certain preserved mushrooms: Data on industry in Poland, by period

Quantity in 1,000 pounds drained weight

Item	2019	2020	2021	Projection 2022	Projection 2023
Capacity	***	***	***	***	***
Production	***	***	***	***	***
End-of-period inventories	***	***	***	***	***
Internal consumption	***	***	***	***	***
Commercial home market shipments	***	***	***	***	***
Home market shipments	***	***	***	***	***
Exports to the United States	***	***	***	***	***
Exports to all other markets	***	***	***	***	***
Export shipments	***	***	***	***	***
Total shipments	***	***	***	***	***

Table continued.

Table VII-13--Continued
Certain preserved mushrooms: Data on industry in Poland, by period

Shares and ratios in percent

Item	2019	2020	2021	Projection 2022	Projection 2023
Capacity utilization ratio	***	***	***	***	***
Inventory ratio to production	***	***	***	***	***
Inventory ratio to total shipments	***	***	***	***	***
Internal consumption share	***	***	***	***	***
Commercial home market shipments share	***	***	***	***	***
Home market shipments share	***	***	***	***	***
Exports to the United States share	***	***	***	***	***
Exports to all other markets share	***	***	***	***	***
Export shipments share	***	***	***	***	***
Total shipments share	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Alternative products

As shown in table VII-14, the producers in Poland ***

***.²⁰ Okechamp SA ***, while Bonduelle Poland ***. During 2019-21, the overall capacity and production for the producers in Poland increased by *** percent and *** percent, respectively. During 2019-21, the overall capacity utilization for the Polish producers fluctuated but decreased by *** percentage points.

²⁰ Okechamp SA indicated that ***. Email correspondence with *** April 25, 2022.

Table VII-14

Certain preserved mushrooms: Producers' in Poland overall capacity and production on the same equipment as subject production, by period

Quantity in 1,000 pounds drained weight; ratio and share in percent

Item	Measure	2019	2020	2021
Overall capacity	Quantity	***	***	***
Certain preserved mushrooms production	Quantity	***	***	***
Other production	Quantity	***	***	***
Total production	Quantity	***	***	***
Overall capacity utilization	Ratio	***	***	***
Certain preserved mushrooms production	Share	***	***	***
Other production	Share	***	***	***
Total production	Share	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Exports

According to GTA, the leading export markets for prepared or preserved mushrooms from Poland are Germany, the United States, and Netherlands (table VII-15). During 2021, the United States was the second largest export market for certain preserved mushrooms from Poland, accounting for 15.2 percent, preceded by Germany, accounting for 42.2 percent and followed by the Netherlands accounting for 11.0 percent.

Table VII-15**Prepared or preserved mushrooms: Exports from Poland, by destination market and by period**

Quantity in 1,000 pounds drained weight; value in 1,000 dollars

Destination market	Measure	2019	2020	2021
United States	Quantity	7,369	12,235	16,745
Germany	Quantity	43,597	43,536	46,590
Netherlands	Quantity	9,479	10,316	12,117
France	Quantity	2,704	4,205	5,674
Sweden	Quantity	1,870	3,886	4,691
Italy	Quantity	5,839	4,114	3,946
Romania	Quantity	2,869	3,764	3,814
Israel	Quantity	3,624	3,529	3,270
Denmark	Quantity	1,800	1,898	2,725
All other destination markets	Quantity	10,818	12,211	10,815
All destination markets	Quantity	89,969	99,695	110,388
United States	Value	7,238	11,352	18,120
Germany	Value	50,923	51,712	47,016
Netherlands	Value	13,225	14,775	17,407
France	Value	3,678	6,114	8,358
Sweden	Value	2,001	2,618	2,520
Italy	Value	6,815	5,180	5,235
Romania	Value	3,427	4,753	4,852
Israel	Value	3,994	4,031	3,914
Denmark	Value	1,946	2,326	1,900
All other destination markets	Value	11,337	12,009	11,912
All destination markets	Value	104,585	114,870	121,233

Table continued.

Table VII-15--Continued**Prepared or preserved mushrooms: Exports from Poland, by destination market and by period**

Unit values in dollars per pound drained weight; shares in percent

Destination market	Measure	2019	2020	2021
United States	Unit value	0.98	0.93	1.08
Germany	Unit value	1.17	1.19	1.01
Netherlands	Unit value	1.40	1.43	1.44
France	Unit value	1.36	1.45	1.47
Sweden	Unit value	1.07	0.67	0.54
Italy	Unit value	1.17	1.26	1.33
Romania	Unit value	1.19	1.26	1.27
Israel	Unit value	1.10	1.14	1.20
Denmark	Unit value	1.08	1.23	0.70
All other destination markets	Unit value	1.05	0.98	1.10
All destination markets	Unit value	1.16	1.15	1.10
United States	Share of quantity	8.2	12.3	15.2
Germany	Share of quantity	48.5	43.7	42.2
Netherlands	Share of quantity	10.5	10.3	11.0
France	Share of quantity	3.0	4.2	5.1
Sweden	Share of quantity	2.1	3.9	4.2
Italy	Share of quantity	6.5	4.1	3.6
Romania	Share of quantity	3.2	3.8	3.5
Israel	Share of quantity	4.0	3.5	3.0
Denmark	Share of quantity	2.0	1.9	2.5
All other destination markets	Share of quantity	12.0	12.2	9.8
All destination markets	Share of quantity	100.0	100.0	100.0

Source: Official exports statistics under HS subheading 2003.10 as reported by Eurostat in the Global Trade Atlas database, accessed April 27, 2022.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---". United States is shown at the top, all remaining top export destinations shown in descending order of 2021 data.

The industry in Spain

The Commission issued foreign producers' or exporters' questionnaires to seven firms believed to produce and/or export certain preserved mushrooms from Spain.²¹ Usable responses to the Commission's foreign producer questionnaire were received from one firm: Eurochamp, S.A.T.²² ("Eurochamp").^{23 24 25} This firm's exports to the United States were equivalent to ***²⁶ percent of U.S. imports of certain preserved mushrooms from Spain in 2021. The responding firms estimate that they accounted for approximately *** percent of overall production of certain preserved mushrooms in Spain 2021. Table VII-16 presents information on the certain preserved mushrooms operations of the responding producers in Spain.

²¹ These firms were identified through a review of information submitted in the petition and presented in third-party sources.

²² According to its website, Eurochamp consists of two companies for the manufacturing and marketing of its certain preserved mushrooms that consist of 300 employees and 90,000 tons of annual production. Additionally, it consists of 80 percent of total production of mushrooms (cans) in Spain. <https://www.eurochamp.es/en/50-years-cultivating/>.

²³ Staff did not include the questionnaire responses from ***. *** submitted a partial questionnaire response that included its exports to the United States and all other markets during 2019 and 2020. In 2019, ***. ***. *** foreign producer questionnaire response.

²⁴ According to its website, Conservas Ferba produces 35,000 tons of mushrooms annually, and almost 80 percent of its production is exported throughout the world (including the United States). <https://www.conservasferba.com/en/our-company>.

²⁵ According to its website, Bodegas Torremaciel indicated that practically all of its 70 hectares are used to produce wine. <http://www.torremaciel.com/en/the-winery>.

²⁶ In its questionnaire response, ***. During 2021, there were a total of approximately *** pounds (***) of certain preserved mushrooms from Spain. *** indicated that it had exported *** of certain preserved mushrooms during 2021, ***. Staff removed *** questionnaire response based on ***.

Table VII-16**Certain preserved mushrooms: Summary data for producers in Spain, 2021**

Firm	Production (1,000 pounds drained weight)	Share of reported production (percent)	Exports to the United States (1,000 pounds drained weight)	Share of reported exports to the United States (percent)	Total shipments (1,000 pounds drained weight)	Share of firm's total shipments exported to the United States (percent)
Eurochamp	***	***	***	***	***	***
All firms	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Changes in operations

As presented in table VII-17 producers in Spain reported operational and organizational changes since January 1, 2019.

Table VII-17**Certain preserved mushrooms: Reported changes in operations in Spain since January 1, 2019, by firm**

Item	Firm name and accompanying narrative response
Acquisitions	***

Source: Compiled from data submitted in response to Commission questionnaires.

Operations on certain preserved mushrooms

Table VII-18 presents information on the certain preserved mushrooms operations of the responding producer in Spain. During 2019-21, the Spanish producers' capacity ***. During 2019-21, the Spanish producers' production fluctuated but decreased by *** percent overall. The Spanish producers' capacity utilization decreased by *** percentage points during 2019-21. During 2019-21, the Spanish producers' end-of-period inventories decreased by *** percent. The Spanish producers' commercial home market shipments were *** during 2021. ***. Total exports accounted for *** during 2021. ***. ***.²⁷

The Spanish producers' 2022 and 2023 capacity ***, while its production of certain preserved mushrooms ***. ***.

²⁷ In 2021, ***. Email correspondence with *** April 14, 2022.

Table VII-18
Certain preserved mushrooms: Data on industry in Spain, by period

Quantity in 1,000 pounds drained weight

Item	2019	2020	2021	Projection 2022	Projection 2023
Capacity	***	***	***	***	***
Production	***	***	***	***	***
End-of-period inventories	***	***	***	***	***
Internal consumption	***	***	***	***	***
Commercial home market shipments	***	***	***	***	***
Home market shipments	***	***	***	***	***
Exports to the United States	***	***	***	***	***
Exports to all other markets	***	***	***	***	***
Export shipments	***	***	***	***	***
Total shipments	***	***	***	***	***

Table continued.

Table VII-18--Continued
Certain preserved mushrooms: Data on industry in Spain, by period

Shares and ratios in percent

Item	2019	2020	2021	Projection 2022	Projection 2023
Capacity utilization ratio	***	***	***	***	***
Inventory ratio to production	***	***	***	***	***
Inventory ratio to total shipments	***	***	***	***	***
Internal consumption share	***	***	***	***	***
Commercial home market shipments share	***	***	***	***	***
Home market shipments share	***	***	***	***	***
Exports to the United States share	***	***	***	***	***
Exports to all other markets share	***	***	***	***	***
Export shipments share	***	***	***	***	***
Total shipments share	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Alternative products

*** responding firms in Spain produced other products on the same equipment and machinery used to produce certain preserved mushrooms.²⁸

Exports

According to GTA, the leading export markets for prepared or preserved mushrooms from Spain are the United States, Portugal, and Italy (table VII-19). During 2021, the United States was the leading export market for certain preserved mushrooms from Spain, accounting for 30.2 percent, followed by Portugal and Italy, accounting for 30.2 percent and 11.1 percent, respectively.

²⁸ ***.

Table VII-19
Prepared or preserved mushrooms: Exports from Spain, by destination and by period

Quantity in 1,000 pounds in drained weight; value in 1,000 dollars

Destination market	Measure	2019	2020	2021
United States	Quantity	6,824	7,847	7,798
Portugal	Quantity	11,183	4,647	7,796
Italy	Quantity	5,800	2,919	2,853
France	Quantity	11,651	3,408	2,171
Saudi Arabia	Quantity	995	851	891
Israel	Quantity	599	380	841
Morocco	Quantity	296	257	617
Jordan	Quantity	198	225	391
United Kingdom	Quantity	260	17	295
All other destination markets	Quantity	3,877	2,051	2,157
All destination markets	Quantity	41,682	22,603	25,810
United States	Value	7,761	8,775	9,511
Portugal	Value	15,300	14,195	14,805
Italy	Value	7,346	5,924	6,965
France	Value	15,532	19,977	18,467
Saudi Arabia	Value	1,216	1,054	992
Israel	Value	692	494	1,062
Morocco	Value	362	338	670
Jordan	Value	174	195	324
United Kingdom	Value	310	133	318
All other destination markets	Value	4,945	4,220	4,300
All destination markets	Value	53,639	55,305	57,416

Table continued.

Table VII-19--Continued
Prepared or preserved mushrooms: Exports from Spain, by period

Unit values in dollars per pound drained weight; shares in percent

Destination market	Measure	2019	2020	2021
United States	Unit value	1.14	1.12	1.22
Portugal	Unit value	1.37	3.05	1.90
Italy	Unit value	1.27	2.03	2.44
France	Unit value	1.33	5.86	8.51
Saudi Arabia	Unit value	1.22	1.24	1.11
Israel	Unit value	1.16	1.30	1.26
Morocco	Unit value	1.22	1.31	1.09
Jordan	Unit value	0.88	0.87	0.83
United Kingdom	Unit value	1.19	7.94	1.08
All other destination markets	Unit value	1.28	2.06	1.99
All destination markets	Unit value	1.29	2.45	2.22
United States	Share of quantity	16.4	34.7	30.2
Portugal	Share of quantity	26.8	20.6	30.2
Italy	Share of quantity	13.9	12.9	11.1
France	Share of quantity	28.0	15.1	8.4
Saudi Arabia	Share of quantity	2.4	3.8	3.5
Israel	Share of quantity	1.4	1.7	3.3
Morocco	Share of quantity	0.7	1.1	2.4
Jordan	Share of quantity	0.5	1.0	1.5
United Kingdom	Share of quantity	0.6	0.1	1.1
All other destination markets	Share of quantity	9.3	9.1	8.4
All destination markets	Share of quantity	100.0	100.0	100.0

Source: Official exports statistics under HS subheading 2003.10 as reported by Eurostat in the Global Trade Atlas database, accessed April 27, 2022.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---". United States is shown at the top, all remaining top export destinations shown in descending order of 2021 data.

Subject countries combined

Table VII-20 presents summary data on certain preserved mushrooms operations of the reporting subject producers in the subject countries. During 2019-21, the combined subject countries' overall capacity increased by 20.9 percent. During 2019-21, the combined subject countries overall production of certain preserved mushrooms increased by 25.6 percent. The combined producers in the Netherlands had the largest share of production in terms of quantity of certain preserved mushrooms from the subject countries, followed by Poland, Spain, and France.

Combined subject countries' capacity utilization fluctuated but increased by 3.0 percentage points during 2019-21. The majority of combined subject countries' shipments consisted of exports to markets other than the United States in each year. Home market shipments increased by 20.3 percent during 2019-21. Exports to the United States increased by 51.9 percent between 2019 and 2021. Combined subject countries' adjusted share of total shipments exported to the United States increased by 3.0 percentage points during 2019-21.

The combined subject countries' 2022 and 2023's capacity is projected to increase, while production is projected to decrease overall compared to its 2021 levels. Combined subject countries' export shipments and exports to the United States are projected to increase in both 2022 and 2023, compared to 2021.

Table VII-20
Certain preserved mushrooms: Data on the industry in combined subject countries, by period

Quantity in 1,000 pounds drained weight

Item	2019	2020	2021	Projection 2022	Projection 2023
Capacity	235,248	256,343	284,326	286,528	286,528
Production	182,081	213,813	228,643	225,930	224,644
End-of-period inventories	39,592	39,941	44,747	42,651	39,569
Internal consumption	59,025	58,887	33,830	6,359	6,359
Commercial home market shipments	7,639	13,396	46,381	53,967	53,979
Home market shipments	66,664	72,283	80,211	60,326	60,338
Exports to the United States	24,591	29,849	37,354	40,979	40,316
Exports to all other markets	95,898	111,105	114,236	126,869	127,071
Export shipments	120,489	140,954	151,590	167,848	167,387
Total shipments	187,153	213,237	231,801	228,174	227,725

Table continued.

Table VII-20--Continued
Certain preserved mushrooms: Data on the industry in combined subject countries, by period

Item	2019	2020	2021	Projection 2022	Projection 2023
Capacity utilization ratio	77.4	83.4	80.4	78.9	78.4
Inventory ratio to production	21.7	18.7	19.6	18.9	17.6
Inventory ratio to total shipments	21.2	18.7	19.3	18.7	17.4
Internal consumption share	31.5	27.6	14.6	2.8	2.8
Commercial home market shipments share	4.1	6.3	20.0	23.7	23.7
Home market shipments share	35.6	33.9	34.6	26.4	26.5
Exports to the United States share	13.1	14.0	16.1	18.0	17.7
Exports to all other markets share	51.2	52.1	49.3	55.6	55.8
Export shipments share	64.4	66.1	65.4	73.6	73.5
Total shipments share	100.0	100.0	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

U.S. inventories of imported merchandise

Table VII-21 presents data on U.S. importers' reported inventories of certain preserved mushrooms. Inventories of subject imports fluctuated but increased by *** percent between 2019 and 2021. The ratio of subject importers' inventories to imports decreased from *** percent in 2019 to *** percent in 2021. During 2021, *** had the largest quantity of end-of-period inventories (from all sources) with *** percent for all U.S. importers during 2021.

Table VII-21
Certain preserved mushrooms: U.S. importers' inventories and their ratio to select items, by source and period

Quantity in 1,000 pounds in drained weight; ratio in percent

Measure	Source	2019	2020	2021
Inventories quantity	France	***	***	***
Ratio to imports	France	***	***	***
Ratio to U.S. shipments of imports	France	***	***	***
Ratio to total shipments of imports	France	***	***	***
Inventories quantity	Netherlands	***	***	***
Ratio to imports	Netherlands	***	***	***
Ratio to U.S. shipments of imports	Netherlands	***	***	***
Ratio to total shipments of imports	Netherlands	***	***	***
Inventories quantity	Poland	***	***	***
Ratio to imports	Poland	***	***	***
Ratio to U.S. shipments of imports	Poland	***	***	***
Ratio to total shipments of imports	Poland	***	***	***
Inventories quantity	Spain	***	***	***
Ratio to imports	Spain	***	***	***
Ratio to U.S. shipments of imports	Spain	***	***	***
Ratio to total shipments of imports	Spain	***	***	***
Inventories quantity	Subject	***	***	***
Ratio to imports	Subject	***	***	***
Ratio to U.S. shipments of imports	Subject	***	***	***
Ratio to total shipments of imports	Subject	***	***	***
Inventories quantity	Nonsubject	***	***	***
Ratio to imports	Nonsubject	***	***	***
Ratio to U.S. shipments of imports	Nonsubject	***	***	***
Ratio to total shipments of imports	Nonsubject	***	***	***
Inventories quantity	All	***	***	***
Ratio to imports	All	***	***	***
Ratio to U.S. shipments of imports	All	***	***	***
Ratio to total shipments of imports	All	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. importers' outstanding orders

The Commission requested importers to indicate whether they imported or arranged for the importation of certain preserved mushrooms from France, Netherlands, Poland, Spain, and all other sources after December 31, 2021. Their reported data is presented in table VII-22. All eight of the responding firms indicated that they had arranged such imports. All eight firms reported arranged imports from subject sources, while *** also reported arranged imports from nonsubject sources.²⁹

Table VII-22

Certain preserved mushrooms: U.S. importers' arranged imports, by source and period

Quantity in 1,000 pounds drained weight

Source	Jan-Mar 2022	Apr-Jun 2022	Jul-Sept 2022	Oct-Dec 2022	Total
France	***	***	***	***	***
Netherlands	***	***	***	***	***
Poland	***	***	***	***	***
Spain	***	***	***	***	***
Subject sources	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Third-country trade actions

Based on available information,³⁰ certain preserved mushrooms from France, the Netherlands, Poland, and Spain have not been subject to antidumping or countervailing duty investigations outside the United States.³¹

Information on nonsubject countries

In its postconference brief petitioners reported that no data on global or country-level production or prices of certain preserved mushrooms currently exists. Industry research also found no sources for this information. Table VII-23 presents global export data for prepared and/or preserved mushrooms other than by vinegar or acetic acid, a category that includes certain preserved mushrooms and out-of-scope products by source.

²⁹ ***.

³⁰ World Trade Organization (“WTO”), “Anti-dumping.”

³¹ Conference transcript, p. 46 (Herrmann).

Table VII-23**Prepared or preserved mushrooms: Global exports, by reporting country and by period**

Quantity in 1,000 pounds drained weight; Value in 1,000 dollars

Exporting country	Measure	2019	2020	2021
United States	Quantity	1,217	689	973
France	Quantity	16,211	13,156	8,238
Netherlands	Quantity	198,511	269,721	302,899
Poland	Quantity	89,969	99,695	110,388
Spain	Quantity	41,682	22,603	25,810
All subject exporters	Quantity	346,372	405,175	447,335
China	Quantity	435,301	409,725	376,975
Belgium	Quantity	82,093	85,331	88,607
Indonesia	Quantity	4,151	4,258	4,818
Germany	Quantity	4,029	4,899	4,365
Italy	Quantity	3,359	2,837	3,072
Hungary	Quantity	2,205	2,069	2,663
Belarus	Quantity	1,326	2,995	2,658
All other exporters	Quantity	14,301	12,591	12,313
All reporting exporters	Quantity	894,353	930,569	943,780
United States	Value	1,916	975	1,248
France	Value	19,287	16,240	11,523
Netherlands	Value	205,627	241,144	290,393
Poland	Value	104,585	114,870	121,233
Spain	Value	53,639	55,305	57,416
All subject exporters	Value	383,138	427,558	480,565
China	Value	330,065	324,057	377,469
Belgium	Value	91,210	100,818	111,609
Indonesia	Value	3,361	3,602	4,051
Germany	Value	7,462	9,066	8,601
Italy	Value	12,684	14,642	16,609
Hungary	Value	1,920	1,558	1,630
Belarus	Value	761	1,406	1,792
All other exporters	Value	14,115	14,325	14,227
All reporting exporters	Value	846,631	898,005	1,017,800

Table continued.

Table VII-23 continued**Prepared or preserved mushrooms: Global exports, by reporting country and by period**

Unit values in dollars per pound drained weight; Shares in percent

Exporting country	Measure	2019	2020	2021
United States	Unit value	1.57	1.41	1.28
France	Unit value	1.19	1.23	1.40
Netherlands	Unit value	1.04	0.89	0.96
Poland	Unit value	1.16	1.15	1.10
Spain	Unit value	1.29	2.45	2.22
All subject exporters	Unit value	1.11	1.06	1.07
China	Unit value	0.76	0.79	1.00
Belgium	Unit value	1.11	1.18	1.26
Indonesia	Unit value	0.81	0.85	0.84
Germany	Unit value	1.85	1.85	1.97
Italy	Unit value	3.78	5.16	5.41
Hungary	Unit value	0.87	0.75	0.61
Belarus	Unit value	0.57	0.47	0.67
All other exporters	Unit value	0.99	1.14	1.16
All reporting exporters	Unit value	0.95	0.97	1.08
United States	Share of quantity	0.1	0.1	0.1
France	Share of quantity	1.8	1.4	0.9
Netherlands	Share of quantity	22.2	29.0	32.1
Poland	Share of quantity	10.1	10.7	11.7
Spain	Share of quantity	4.7	2.4	2.7
All subject exporters	Share of quantity	38.7	43.5	47.4
China	Share of quantity	48.7	44.0	39.9
Belgium	Share of quantity	9.2	9.2	9.4
Indonesia	Share of quantity	0.5	0.5	0.5
Germany	Share of quantity	0.5	0.5	0.5
Italy	Share of quantity	0.4	0.3	0.3
Hungary	Share of quantity	0.2	0.2	0.3
Belarus	Share of quantity	0.1	0.3	0.3
All other exporters	Share of quantity	1.6	1.4	1.3
All reporting exporters	Share of quantity	100.0	100.0	100.0

Source: Official exports statistics under HS subheading 2003.10 as reported by various national statistical authorities in the Global Trade Atlas database, accessed April 27, 2022.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---". United States is shown at the top followed by the countries under investigation, all remaining top exporting countries in descending order of 2021 data.

APPENDIX A
FEDERAL REGISTER NOTICES

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

Citation	Title	Link
87 FR 20460, April 7, 2022	<i>Certain Preserved Mushrooms From France, Netherlands, Poland, and Spain; Institution of Antidumping Duty Investigations and Scheduling of Preliminary Phase Investigations</i>	https://www.govinfo.gov/content/pkg/FR-2022-04-07/pdf/2022-07353.pdf
87 FR 24941, April 27, 2022	<i>Certain Preserved Mushrooms From France, the Netherlands, Poland, and Spain: Initiation of Less-Than-Fair-Value Investigations</i>	https://www.govinfo.gov/content/pkg/FR-2022-04-27/pdf/2022-08947.pdf

APPENDIX B

LIST OF STAFF CONFERENCE WITNESSES

CALENDAR OF PUBLIC PRELIMINARY CONFERENCE

Those listed below appeared in the United States International Trade Commission’s preliminary conference via videoconference:

Subject: Certain Preserved Mushrooms from France, Netherlands, Poland, and Spain
Inv. Nos.: 731-TA-1587-1590 (Preliminary)
Date and Time: April 21, 2022 - 9:30 a.m.

OPENING REMARKS:

In Support of Imposition (**John Herrmann**, Kelley, Drye and Warren LLP)

**In Support of the Imposition of
Antidumping and Countervailing Duty Orders:**

Kelley, Drye and Warren LLP
Washington, DC
on behalf of

Giorgio Foods, Inc. (“Giorgio” or “Petitioner”)

Brian Loiseau, Senior Vice President of Sales, Research & Development, and Business Development, Giorgio Foods, Inc.

William B. Hudgens, Senior Trade Analyst, Georgetown Economic Services, LLC

Jacob Jones, Data Analyst, Georgetown Economic Services, LLC

John Herrmann)
Paul C. Rosenthal)
) – OF COUNSEL
Elizabeth C. Johnson)
Joshua R. Morey)

REBUTTAL/CLOSING REMARKS:

In Support of Imposition (**Paul C. Rosenthal**, Kelley, Drye and Warren LLP)

-END-

APPENDIX C
SUMMARY DATA

Table C-1

Preserved mushrooms: Summary data concerning the U.S. market, by period

Quantity=1,000 pounds drained weight; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per pound drained weight; Productivity=pounds drained weight per hour; Period changes=percent—exceptions noted

	Reported data			Period changes		
	2019	2020	2021	2019-21	2019-20	2020-21
U.S. consumption quantity:						
Amount.....	***	***	***	▲***	▲***	▲***
Producers' share (fn1).....	***	***	***	▼***	▲***	▼***
Importers' share (fn1):						
France.....	***	***	***	▼***	▼***	▼***
Netherlands.....	***	***	***	▲***	▲***	▲***
Poland.....	***	***	***	▲***	▼***	▲***
Spain.....	***	***	***	▲***	▼***	▲***
Subject sources.....	***	***	***	▲***	▼***	▲***
Nonsubject sources.....	***	***	***	▼***	▼***	▼***
All import sources.....	***	***	***	▲***	▼***	▲***
U.S. consumption value:						
Amount.....	***	***	***	▲***	▲***	▲***
Producers' share (fn1).....	***	***	***	▼***	▲***	▼***
Importers' share (fn1):						
France.....	***	***	***	▼***	▼***	▼***
Netherlands.....	***	***	***	▲***	▲***	▲***
Poland.....	***	***	***	▲***	▼***	▲***
Spain.....	***	***	***	▲***	▼***	▲***
Subject sources.....	***	***	***	▲***	▼***	▲***
Nonsubject sources.....	***	***	***	▼***	▼***	▲***
All import sources.....	***	***	***	▲***	▼***	▲***
U.S. imports from:						
France:						
Quantity.....	8,122	6,085	3,109	▼(61.7)	▼(25.1)	▼(48.9)
Value.....	11,843	8,647	5,307	▼(55.2)	▼(27.0)	▼(38.6)
Unit value.....	\$1.46	\$1.42	\$1.71	▲17.1	▼(2.5)	▲20.1
Ending inventory quantity.....	***	***	***	▼***	▼***	▲***
Netherlands:						
Quantity.....	24,414	30,231	36,119	▲47.9	▲23.8	▲19.5
Value.....	36,172	44,349	50,685	▲40.1	▲22.6	▲14.3
Unit value.....	\$1.48	\$1.47	\$1.40	▼(5.3)	▼(1.0)	▼(4.3)
Ending inventory quantity.....	***	***	***	▲***	▼***	▲***
Poland:						
Quantity.....	3,232	3,307	6,578	▲103.5	▲2.3	▲98.9
Value.....	4,759	5,120	10,499	▲120.6	▲7.6	▲105.1
Unit value.....	\$1.47	\$1.55	\$1.60	▲8.4	▲5.1	▲3.1
Ending inventory quantity.....	***	***	***	▲***	▼***	▲***
Spain:						
Quantity.....	1,478	1,334	2,682	▲81.5	▼(9.7)	▲101.1
Value.....	2,479	2,241	4,601	▲85.6	▼(9.6)	▲105.4
Unit value.....	\$1.68	\$1.68	\$1.72	▲2.3	▲0.1	▲2.1
Ending inventory quantity.....	***	***	***	▼***	▼***	▼***

Table continued.

Table C-1 Continued

Preserved mushrooms: Summary data concerning the U.S. market, by period

Quantity=1,000 pounds drained weight; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per pound drained weight; Productivity=pounds drained weight per hour; Period changes=percent--exceptions noted

	Reported data			Period changes		
	Calendar year			Comparison years		
	2019	2020	2021	2019-21	2019-20	2020-21
U.S. imports from: --Continued						
Subject sources:						
Quantity.....	37,247	40,957	48,487	▲30.2	▲10.0	▲18.4
Value.....	55,253	60,356	71,092	▲28.7	▲9.2	▲17.8
Unit value.....	\$1.48	\$1.47	\$1.47	▼(1.2)	▼(0.7)	▼(0.5)
Ending inventory quantity.....	***	***	***	▲***	▼***	▲***
Nonsubject sources:						
Quantity.....	2,189	2,030	2,069	▼(5.5)	▼(7.3)	▲2.0
Value.....	2,921	2,407	2,677	▼(8.3)	▼(17.6)	▲11.2
Unit value.....	\$1.33	\$1.19	\$1.29	▼(3.1)	▼(11.1)	▲9.1
Ending inventory quantity.....	***	***	***	▼***	▼***	***
All import sources:						
Quantity.....	39,436	42,987	50,557	▲28.2	▲9.0	▲17.6
Value.....	58,174	62,763	73,769	▲26.8	▲7.9	▲17.5
Unit value.....	\$1.48	\$1.46	\$1.46	▼(1.1)	▼(1.0)	▼(0.1)
Ending inventory quantity.....	***	***	***	▲***	▼***	▲***
U.S. producers':						
Average capacity quantity.....	***	***	***	***	***	***
Production quantity.....	***	***	***	▲***	▲***	▲***
Capacity utilization (fn1).....	***	***	***	▲***	▲***	▲***
U.S. shipments:						
Quantity.....	***	***	***	▼***	▲***	▼***
Value.....	***	***	***	▲***	▲***	▼***
Unit value.....	***	***	***	▲***	▼***	▲***
Export shipments:						
Quantity.....	***	***	***	***	***	***
Value.....	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	▲***	▼***	▲***
Inventories/total shipments (fn1).....	***	***	***	▲***	▼***	▲***
Production workers.....	***	***	***	▲***	▲***	***
Hours worked (1,000s).....	***	***	***	▲***	▲***	▼***
Wages paid (\$1,000).....	***	***	***	▲***	▲***	▼***
Hourly wages (dollars per hour).....	***	***	***	▲***	▲***	▼***
Productivity.....	***	***	***	▲***	▲***	▲***
Unit labor costs.....	***	***	***	▼***	▲***	▼***

Table continued.

Table C-1 Continued

Preserved mushrooms: Summary data concerning the U.S. market, by period

Quantity=1,000 pounds drained weight; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per pound drained weight; Productivity=pounds drained weight per hour; Period changes=percent--exceptions noted

	Reported data			Period changes		
	Calendar year			Comparison years		
	2019	2020	2021	2019-21	2019-20	2020-21
U.S. producers': --Continued						
Net sales:						
Quantity.....	***	***	***	▼***	▲***	▼***
Value.....	***	***	***	▲***	▲***	▼***
Unit value.....	***	***	***	▲***	▼***	▲***
Cost of goods sold (COGS).....	***	***	***	▼***	▲***	▼***
Gross profit or (loss) (fn2).....	***	***	***	▲***	▼***	▲***
SG&A expenses.....	***	***	***	▲***	▲***	▼***
Operating income or (loss) (fn2).....	***	***	***	▲***	▼***	▲***
Net income or (loss) (fn2).....	***	***	***	▲***	▼***	▲***
Unit COGS.....	***	***	***	▲***	▼***	▲***
Unit SG&A expenses.....	***	***	***	▲***	▲***	▲***
Unit operating income or (loss) (fn2).....	***	***	***	▲***	▼***	▲***
Unit net income or (loss) (fn2).....	***	***	***	▲***	▼***	▲***
COGS/sales (fn1).....	***	***	***	▼***	▲***	▼***
Operating income or (loss)/sales (fn1).....	***	***	***	▲***	▼***	▲***
Net income or (loss)/sales (fn1).....	***	***	***	▲***	▼***	▲***
Capital expenditures.....	***	***	***	▼***	▼***	▼***
Research and development expenses.....	***	***	***	▲***	▼***	▲***
Net assets.....	***	***	***	▲***	▲***	▼***

Note.--Shares and ratios shown as "0.0" percent represent non-zero values less than "0.05" percent (if positive) and greater than "(0.05)" percent (if negative). Zeroes, null values, and undefined calculations are suppressed and shown as "--". Period changes preceded by a "▲" represent an increase, while period changes preceded by a "▼" represent a decrease.

fn1.--Reported data are in percent and period changes are in percentage points.

fn2.--Percent changes only calculated when both comparison values represent profits; The directional change in profitability provided when one or both comparison values represent a loss.

Source: Compiled from data submitted in response to Commission questionnaires and from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers 2003.10.0127, 2003.10.0131, 2003.10.0137, 2003.10.0143, 2003.10.0147, and 2003.10.0153, accessed on April 20, 2022. Imports are based on the imports for consumption data series. Value data reflect landed duty-paid values. 508-compliant tables containing these data are contained in parts III, IV, VI, and VII of this report.

APPENDIX D

**U.S. PRODUCERS' AND IMPORTERS' COMPARISONS OF
PRODUCTS BY THE LIKE PRODUCT FACTORS**

Table D-1 presents the count of firm responses to the six factors comparing the in-scope preserved mushrooms (retail, in less than 12-ounce containers) to the out-of-scope preserved mushrooms (food and industrial, greater than 12 ounce containers). Tables D-2 (U.S. producers) and D-3 (U.S. importers) present a summary of U.S. producers' and importers' narrative responses on the comparability of the small retail packaged preserved mushrooms to the large industrial packaged preserved mushrooms by the six like product factors.

Table D-1
Preserved mushrooms: Count of firms responses to the six factors comparing in-scope small retail packaged preserved mushrooms to out-of-scope large industrial packaged preserved mushrooms

Count in number of firms

Item	Firm type	Fully	Mostly	Somewhat	Never
Physical characteristics	U.S. producers	***	***	***	***
Interchangeability	U.S. producers	***	***	***	***
Channels	U.S. producers	***	***	***	***
Manufacturing	U.S. producers	***	***	***	***
Perceptions	U.S. producers	***	***	***	***
Price	U.S. producers	***	***	***	***
Physical characteristics	U.S. importers	0	2	1	1
Interchangeability	U.S. importers	1	1	1	1
Channels	U.S. importers	0	0	1	3
Manufacturing	U.S. importers	0	1	1	1
Perceptions	U.S. importers	0	1	0	3
Price	U.S. importers	0	0	1	2

Source: Compiled from data submitted in response to Commission questionnaires.

Table D-2

Preserved mushrooms: U.S. producer Giorgio's narrative responses to the six-factor like product factors comparing in-scope small retail packaged preserved mushrooms to out-of-scope large industrial packaged preserved mushrooms

Item	Narrative
Physical characteristics	***
Interchangeability	***
Channels	***
Manufacturing	***
Perceptions	***
Price	***

Source: Compiled from data submitted in response to Commission questionnaires.

Table D-3

Preserved mushrooms: U.S. importers' narrative responses to the six-factor like product factors comparing in-scope small retail packaged preserved mushrooms to out-of-scope large industrial packaged preserved mushrooms

Item	Narrative
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***

Table continued.

Item	Narrative
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Perceptions	***
Perceptions	***
Perceptions	***

Table continued.

Item	Narrative
Perceptions	***
Perceptions	***
Price	***
Price	***
Price	***
Price	***

Source: Compiled from data submitted in response to Commission questionnaires.

