

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/4478

3 March 1977

Limited Distribution

Original: English

UNITED STATES INTERNATIONAL TRADE COMMISSION INVESTIGATIONS

Mushrooms

The following communication dated 18 February 1977 has been received from the permanent mission of the United States.

The United States International Trade Commission on 10 January recommended to the President that import relief be provided to the United States mushroom industry.

Commissioners Joseph O. Parker, Will E. Leonard, George M. Moore and Italo H. Ablondi formed the majority and found the United States mushroom industry eligible for import relief under the Trade Act of 1974. Commissioners Parker, Leonard, Moore and Ablondi said that the industry was suffering import caused serious injury. Commissioner Parker said that the domestic industry was also being threatened with serious injury by increased imports of canned mushrooms.

Commissioner Daniel Minchew determined that increased imports of canned mushrooms were not a substantial cause of serious injury or the threat of serious injury to the domestic industry producing articles like or directly competitive with the imported article. Commissioner Catherine Bedell did not participate in the decision.

Commissioners Minchew, Parker and Moore recommended the imposition of a tariff quota of 48 million pounds, allocated by country. Imports in excess of the quota would be assessed an additional ad valorem duty of 25 per cent during the first three years of the quota, an additional ad valorem duty of 15 per cent during the fourth year of the quota and an additional ad valorem duty of 5 per cent during the fifth year of the quota.

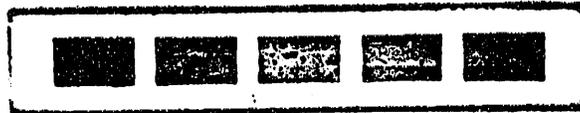
Commissioners Leonard and Ablondi recommended adjustment assistance, which provides for financial and technical aid for workers, firms and communities, as the appropriate remedy for the mushroom industry.

The Commission's investigation on mushrooms, its second since March 1976¹, was instituted following a request for an expedited investigation received from the Office of the Special Representative for Trade Negotiations. The request from the Office of the Special Trade Representative preceded a United States International Trade Commission determination that there was good cause for a reinvestigation within one year.

Imports of canned mushrooms have been increasing over the last decade to the current level of about 22 per cent of total United States mushroom consumption. About 88 per cent of all imported mushrooms are canned, and the remainder are dried. Taiwan and South Korea are the principal suppliers of imported mushrooms. Fresh mushrooms are supplied almost exclusively by domestic growers.

Pennsylvania, New York, Delaware, Ohio, California, Florida and Texas are the primary mushroom growing States. Although the number of establishments producing mushrooms has dropped in recent years, United States production has more than doubled in the last decade. Production of fresh mushrooms in the United States in the marketing year 1975/76 was 310 million pounds. Production of canned mushrooms increased during the period 1968/69 through 1971/72 and then decreased irregularly to 104 million pounds in 1975/76.

The President will make a decision on the disposition of the recommendation within sixty days from the date of receipt of the report, i.e., by 11 March 1977.



¹See documents L/4320 and L/4320/Add.1