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PUBLIC VERSION**

**BEFORE THE
INTERNATIONAL TRADE ADMINISTRATION OF THE
U.S. DEPARTMENT OF COMMERCE
AND THE
U.S. INTERNATIONAL TRADE COMMISSION**

**ANTIDUMPING AND COUNTERVAILING DUTY PETITION
VOLUME I
GENERAL and INJURY SECTIONS**

FRESH MUSHROOMS FROM CANADA

**PETITIONERS:
FRESH MUSHROOMS FAIR TRADE COALITION AND ITS INDIVIDUAL MEMBERS**

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TABLE OF CONTENTS

	Page
I. GENERAL INFORMATION.....	2
A. Petitioners	2
B. Other Domestic Producers	2
C. Description of the Domestic Industry and Industry Support	2
D. Related Proceedings.....	4
E. Description of Subject Merchandise and Requested Scope of Investigation	6
1. Requested Scope of Investigation.....	6
2. Physical Characteristics and Uses.....	6
a. Product Description	6
b. End Uses	8
3. Production Process.....	8
4. U.S. Tariff Classification	10
F. Countries of Exportation.....	10
G. Producers and Exporters of Subject Merchandise	10
H. Volume and Value of Imports.....	10
I. Names and Addresses of U.S. Importers	11
II. INFORMATION RELATED TO SALES AT LESS THAN FAIR VALUE AND COUNTERAVAILABLE SUBSIDIES	11
III. THE U.S. FRESH MUSHROOMS INDUSTRY HAS BEEN MATERIALLY INJURED BY REASON OF UNFAIRLY-TRADED IMPORTS FROM CANADA	11
A. The Domestic Like Product Mirrors the Scope of the Petition.....	11
B. The Domestic Industry Consists of All U.S. Producers of Fresh Mushrooms	13

TABLE OF CONTENTS (continued)

	Page
C. Imports of Fresh Mushrooms from Canada Are Not Negligible	14
D. Fresh Mushroom Imports from Canada Are Causing Material Injury to the Domestic Fresh Mushrooms Industry	15
1. The Volume of Subject Imports, on An Absolute and Relative Basis, Was Significant and Increasing in Recent Years	15
2. The Dumped and Subsidized Subject Imports Have Had Significant Negative Price Effects on the U.S. Fresh Mushrooms Industry	16
a. Subject Imports Have Undercut, As Well As Depressed and Suppressed, U.S. Prices	16
b. Price Descriptors for ITC Questionnaires	17
c. The Commission Should Solicit Data on Direct Import Pricing	18
3. Unfair Imports Have Had an Injurious Impact on the Domestic Industry Producing Fresh Mushrooms	18
4. Conclusion	20
IV. THE DOMESTIC INDUSTRY IS THREATENED WITH FURTHER MATERIAL INJURY BY REASON OF UNFAIRLY-TRADED IMPORTS OF FRESH MUSHROOMS FROM CANADA	21
A. The Domestic Industry Is Vulnerable to Material Injury by Reason of Subject Imports	21
B. Subject Imports Have Demonstrated an Ability to Penetrate the Domestic Market Rapidly	22
C. Subject Imports Have Had Verifiable Adverse Price Effects That Are Likely to Continue	22
D. Subject Producers Maintain Massive Excess Capacity to Produce Fresh Mushrooms, Are Highly Export-Oriented, and Are Likely to Further Target the United States	23
E. Subject Producers in Canada Benefit from Substantial Countervailable Subsidies	24

TABLE OF CONTENTS (continued)

	Page
V. CONCLUSION.....	25

**PETITION FOR THE IMPOSITION OF ANTIDUMPING AND COUNTERVAILING
DUTIES ON IMPORTS OF FRESH MUSHROOMS FROM CANADA**

On behalf of the Fresh Mushrooms Fair Trade Coalition and its individual members (collectively, “Petitioners”) – domestic producers of fresh *Agaricus* mushrooms as defined by the scope of this Petition (“Fresh Mushrooms”) – we submit this Petition to the U.S. Department of Commerce (the “Department”) and the U.S. International Trade Commission (“ITC” or “Commission”) pursuant to sections 702(c)(4) and 732(c)(4) of the Tariff Act of 1930, as amended (the “Act” or the “statute”).¹ See 19 U.S.C. §§ 1671a(c)(4), 1673a(c)(4). As discussed below, Petitioners represent the U.S. industry producing Fresh Mushrooms within the meaning of the Act. See id.

Volume II of this Petition presents evidence that Fresh Mushrooms from Canada are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731(1) of the Act. See 19 U.S.C. § 1673(1). Volume III of this Petition presents evidence that the Government of Canada is providing countervailable subsidies with respect to the manufacture, production, and export of Fresh Mushrooms within the meaning of section 701(a)(1) of the Act. See 19 U.S.C. § 1671(a)(1). This Petition demonstrates further that the U.S. industry producing Fresh Mushrooms is suffering material injury, and is threatened with further material injury, by reason of unfairly-traded imports of Fresh Mushrooms from Canada within the meanings of sections 701(a)(2) and 731(2) of the Act. See 19 U.S.C. §§ 1671(a)(2), 1673(2).

¹ The Fresh Mushrooms Fair Trade Coalition is an ad hoc group of companies consisting of U.S. growers and U.S. packers of fresh *Agaricus* mushrooms, as defined by the scope of this Petition. The individual members of the Fresh Mushrooms Fair Trade Coalition are: Giorgio Fresh Co. (including Donna Bella Farms LLC and Giorgi Mushroom Co.); J-M Farms LLC; Kennett Square Mushroom Operation LLC; Modern Mushroom Farms, Inc.; Needham’s Mushroom Farms, Inc.; and Sher-Rockee Mushroom Farms.

PUBLIC VERSION

Petitioners, therefore, request that: (1) antidumping duties be imposed on imports of Fresh Mushrooms from Canada in an amount equal to the amount by which the normal value exceeds the export price or constructed export price of the merchandise; and (2) countervailing duties be imposed on imports of Fresh Mushrooms from Canada in an amount equal to the net countervailable subsidy. This Petition sets forth the information reasonably available to Petitioners and is filed in conformity with the requirements of section 351.202 of the regulations of the Department and section 207.11 of the regulations of the Commission. See 19 C.F.R. §§ 351.202, 207.11.

I. GENERAL INFORMATION

A. Petitioners

This Petition is filed on behalf of the Fresh Mushrooms Fair Trade Coalition and its individual members. These companies are “interested parties” within the meaning of 19 U.S.C. § 1677(9)(C) and 19 C.F.R. § 351.102(b)(29)(v) because they grow Fresh Mushrooms, or pack domestically-grown Fresh Mushrooms, at their facilities in the United States. The names of, and contact information for, Petitioners are provided in **Exhibit GEN-1**.

B. Other Domestic Producers

To the best of Petitioners’ knowledge, 29 other firms grow Fresh Mushrooms, or pack domestically-grown Fresh Mushrooms, in the United States. The names of, and contact information for, these companies are provided in **Exhibit GEN-1**.

C. Description of the Domestic Industry and Industry Support

The statute requires that “the domestic producers or workers who support the petition account for at least 25 percent of the total production of the domestic like product.” 19 U.S.C. §§ 1671a(c)(4)(A)(i), 1673a(c)(4)(A)(i). In addition, the statute requires that “the domestic

PUBLIC VERSION

producers or workers who support the petition account for more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for or opposition to the petition.” 19 U.S.C. §§ 1671a(c)(4)(A)(ii), 1673a(c)(4)(A)(ii).

The statutory requirements for standing are satisfied. In July 2024 - June 2025, the volume of Fresh Mushrooms produced by petitioning U.S. producers was [] pounds. See Exhibit GEN-2.² [

INFORMATION ON OTHER PRODUCERS IN SUPPORT

[See id. Based on data published by the U.S. Department of Agriculture (“USDA”) National Agricultural Statistics Service (“NASS”), the total volume of Fresh Mushrooms sold in the United States in July 2024 - June 2025 was 653.6 million pounds. See Exhibit GEN-3.

The statute instructs that, in determining industry support, the Department “*shall* disregard the position of domestic producers who oppose the petition, if such producers are related to foreign producers ... unless such domestic producers demonstrate that their interests as domestic producers would be adversely affected” by the imposition of unfair trade orders. See 19 U.S.C. §§ 1671a(c)(4)(B)(i), 1673a(c)(4)(B)(i) (emphasis added). South Mill Champs (“South Mill”) – a U.S. grower and U.S. packer of Fresh Mushrooms – is directly related to subject producers of Fresh Mushrooms in Canada (i.e., Loveday Mushroom Farms and Champ’s

² To the best of Petitioners’ knowledge, virtually all Fresh Mushrooms cultivated by U.S. growers are sold to U.S. packers before purchase by the final customer. End users in the retail, food service, and food processing markets buy Fresh Mushrooms almost exclusively from U.S. packers. [

]

PUBLIC VERSION

Mushroom Farms). See Exhibit GEN-4. [

INFORMATION ON SOUTH MILL CHAMPS

] See Exhibit GEN-2.

Accordingly, U.S. production by South Mill should not be factored into the Department’s evaluation of industry support. [

SOUTH MILL CHAMPS PRODUCTION ESTIMATE

] See id.

As shown below in Table 1, the U.S. producers that support this Petition accounted for [] percent of total U.S. production of Fresh Mushrooms, and [] percent of U.S. production of Fresh Mushrooms excluding South Mill, in July 2024 - June 2025. Accordingly, the domestic producers that support this Petition surpass both the 25 percent and 50 percent thresholds for industry support established in the statute. See 19 U.S.C. §§ 1671a(c)(4)(A), 1673a(c)(4)(A).

Table 1: Standing Calculations (July 2024 – June 2025, Quantity in Pounds)			
	U.S. Production	Share of Total	Share of Total Less South Mill
Petitioning U.S. Producers	[]	[]	[]
Other U.S. Producers in Support	[]	[]	[]
Total U.S. Producers in Support	[]	[]	[]
Other U.S. Producers	[]	[]	[]
Total Less South Mill	[550 MILLION]	[]	100%
South Mill	[]	[12%]	
Total	653,624,000	100%	

Source: Exhibits GEN-2 and GEN-3.

D. Related Proceedings

Petitioners have not filed for import relief pursuant to Section 201 of the Trade Act of 1974 (19 U.S.C. § 2251), Section 232 of the Trade Expansion Act of 1962 (19 U.S.C. § 1862),

PUBLIC VERSION

Section 301 of the Trade Act of 1974 (19 U.S.C. §§ 2251, 2411), Section 337 of the Act (19 U.S.C. § 1337), or Sections 702 and 732 of the Act (19 U.S.C. §§ 1671a, 1673a) with respect to the merchandise that is the subject of this Petition. Effective March 4, 2025, the United States imposed an additional 25 percent tariff on products of Canada pursuant to the International Emergency Economic Powers Act (“IEEPA”) (50 U.S.C. § 1702). See Notice of Implementation of Additional Duties on Products of Canada Pursuant to the President's Executive Order 14193, Imposing Duties To Address the Flow of Illicit Drugs Across Our Northern Border, 90 Fed. Reg. 11,423 (CBP Mar. 6, 2025). Effective August 1, 2025, the President raised the additional rate of duty levied in connection with this action to 35 percent. See Amendment to Duties To Address the Flow of Illicit Drugs Across Our Northern Border, 90 Fed. Reg. 37,957 (Exec. Off. Pres. Aug. 6, 2025).

Notably, articles that are entered free of duty under the terms of General Note 11 to the Harmonized Tariff Schedule of the United States (“HTSUS”), as related to the United States-Mexico-Canada Agreement (“USMCA”), are exempt from the tariffs imposed pursuant to IEEPA. See Amendment to Notice of Implementation of Additional Duties on Products of Canada Pursuant to the President's Executive Order 14193, Imposing Duties To Address the Flow of Illicit Drugs Across our Northern Border, 90 Fed. Reg. 11,743 (CBP Mar. 11, 2025). To the best of Petitioners’ knowledge, the imports that are the subject of this Petition are “wholly obtained or produced entirely in the territory of one or more USMCA countries” and, thus, are eligible for the preferential treatment provided for in HTSUS subheading 0709.51.01 as “good{s} originating in the territory of a USMCA country.” See HTSUS General Note 11(b), 11(b)(i). As a result, U.S. imports of Fresh Mushrooms from Canada are exempt from the additional rate of duty instituted in connection with IEEPA.

E. Description of Subject Merchandise and Requested Scope of Investigation

1. Requested Scope of Investigation

The following language describes the imported merchandise that Petitioners intend to cover in this investigation:

The merchandise covered by these investigations is fresh mushrooms of the genus *Agaricus* (“fresh mushrooms”). This includes – but is not limited to – fresh mushrooms of the species *Agaricus bisporus*, which are commonly referred to as button mushrooms, chestnut mushrooms, cremini or crimini mushrooms, baby bellas, portabella or portobello mushrooms, table mushrooms, or as white or browns. Fresh mushrooms include whole mushrooms, as well as mushrooms that have been sliced, diced, or separated into stems and pieces prior to importation. Fresh mushrooms may also be imported in bulk or loose form, or may be imported in individual containers packaged for retail sale. The scope of these investigations includes all fresh mushrooms of the genus *Agaricus*, whether or not organic, and irrespective of age, cut, color, size, species, or packaging.

Subject merchandise may be cleaned, washed, inspected, subjected to metal detection, sliced, diced, or de-stemmed, and/or vacuum cooled prior to importation, but otherwise undergoes minimal further processing. The scope of these investigations covers fresh mushrooms of the genus *Agaricus* regardless of end use, including both mushrooms destined for the fresh market and mushrooms intended for food processing.

Fresh mushrooms of the genus *Agaricus* are currently classifiable under HTSUS statistical reporting number 0709.51.0100. Although the HTSUS statistical reporting number is provided for convenience and customs purposes, the written description of the scope of these investigations is dispositive.

2. Physical Characteristics and Uses

a. Product Description

The merchandise covered by this Petition is fresh mushrooms of the genus *Agaricus*, which includes the species *Agaricus bisporus* and *Agaricus campestris* among its most prominent members. *Agaricus bisporus* is commonly known as the cultivated mushroom, and is

PUBLIC VERSION

frequently referred to as a baby bella mushroom, button mushroom, chestnut mushroom, cremini or crimini mushroom, portabella or portobello mushroom, or table mushroom. *Agaricus bisporus* is the dominant edible mushroom in the United States, and is widely grown throughout North America and Europe due to its versatility, ease of cultivation, and relatively high yield. *Agaricus campestris* is commonly known as the field mushroom, and – while also edible – is not grown commercially as a result of its quick maturity period and short shelf life. The merchandise covered by this Petition may be cleaned, washed, inspected, subjected to metal detection, sliced, diced, destemmed, and/or vacuum cooled prior to importation, but otherwise undergoes minimal additional processing.

In their immature state, fresh *Agaricus* mushrooms typically measure 1-4 inches in cap diameter, and may be white (e.g., button mushrooms and table mushrooms) or brown (e.g., chestnut mushrooms and cremini mushrooms). In their mature state, fresh *Agaricus* mushrooms typically measure 4-6 inches in cap diameter, and are almost always brown (e.g., portabella mushrooms). As a foodstuff, fresh *Agaricus* mushrooms are renowned for their mild flavor and firm texture, as well as their excellent nutritional value. Although brown and/or mature varieties may feature a more intense flavor and a firmer texture than white and/or immature varieties, all fresh *Agaricus* mushrooms possess similar physical characteristics, and are generally substitutable with one another in culinary applications.

The scope of this Petition includes all fresh mushrooms of the genus *Agaricus*, whether or not organic, and irrespective of age, cut, color, size, species, or packaging. The in-scope merchandise may be sliced or diced prior to importation, may be separated into stems and pieces, or may enter as whole mushrooms. The in-scope merchandise may be packed into individual containers for retail sale prior to importation, or may enter in bulk or loose form.

b. End Uses

The overwhelming majority of fresh *Agaricus* mushrooms sold in the U.S. market are packaged into individual containers and shipped to convenience stores, grocery stores, retail chains, and supermarkets. Larger packages of fresh *Agaricus* mushrooms may also be sold to food distributors for use in cafeterias, delis, and restaurants. The ultimate customers typically use fresh *Agaricus* mushrooms in culinary applications, either as an ingredient in other dishes or as a main course unto themselves. A smaller portion of fresh *Agaricus* mushrooms sold in the U.S. market are distributed in bulk or loose form to food processors, which incorporate the merchandise into various downstream products (e.g., dried mushrooms, frozen mushrooms, preserved mushrooms, and prepared food items). The scope of this Petition covers fresh *Agaricus* mushrooms regardless of end use, and includes both mushrooms destined for the fresh market and mushrooms intended for food processing.

3. Production Process

The cultivation of fresh *Agaricus* mushrooms begins with compost, a nutrient-rich substrate that improves fertility and facilitates growth. The compost is formed by wetting, mixing, and aerating its constituent ingredients in an industrial turner. These ingredients may be natural or synthetic, and commonly include hay, straw, potash, urea, chicken manure, corn stover, and/or ammonium nitrate. Supplements such as gypsum and nitrogen may be added to the compost via topdressing once the mixing process is complete. The compost is then stacked into large piles and allowed to ferment for up to two weeks. After this phase is complete, the compost is pasteurized and sterilized to kill bacteria, remove pests, and eliminate any ammonia formed during fermentation.

PUBLIC VERSION

Once the compost is finished, it is layered into large horizontal racks inside of a grow room – a specialized structure designed to control light, airflow, temperature, and humidity. The compost is inoculated with evenly distributed mycelia (i.e., mushroom spawn), and maintained at a temperature of approximately 75° F with high relative humidity. The mycelia are allowed to colonize the substrate for up to three weeks, after which an additional layer of soil, limestone, peat moss, and/or recycled compost is applied. This top layer is commonly referred to as casing, and acts as a water reserve in which larger mycelia can form. The temperature is held at approximately 75° F for an additional five days, and is then gradually lowered until pins (i.e., immature mushrooms) appear.

As the pins emerge above the casing, fresh air is introduced into the environment in order to reduce the concentration of carbon dioxide, and thereby encourage further growth. The timeframe from pinning to cropping is contingent on the variety of mushroom at issue. Larger varieties such as portabella mushrooms may take nearly two weeks to develop fully, while smaller varieties such as cremini mushrooms may take only four days to sprout. Once the mushrooms have matured to a sufficient degree, they are harvested in recurring three to five day windows known as breaks. This harvesting may occur by hand, or it may be automated through mechanical means.

The mushrooms are then shipped from the growing location to the packing location. Transportation and storage require a highly controlled environment – including a complete cold chain – to maintain adequate freshness and limit bacterial growth. The mushrooms are washed and undergo an extensive quality assurance process to ensure they meet relevant standards. The mushrooms may be sorted, such that lower quality mushrooms intended for food processing are separated from higher quality mushrooms destined for the fresh market. Finally, the mushrooms

are packed for shipment to the final customer, either into smaller containers for retail sale or into larger containers for food service distribution.

4. U.S. Tariff Classification

U.S. imports of Fresh Mushrooms are properly classified under HTSUS statistical subheading 0709.51.0100, which provides for “Other vegetables, fresh or chilled . . . Mushrooms and truffles . . . Mushrooms of the genus *Agaricus*.” See Exhibit GEN-5. The volume of imports under this provision is reported in kilograms, and the “general” rate of duty under this provision is 8.8 cents per kilogram plus 20 percent ad valorem. See id. As discussed above in Section I.D, however, U.S. imports of Fresh Mushrooms that qualify for preferential treatment under the USMCA are eligible for the “special” rate of duty under this provision (i.e., “free”). See id.; supra Section I.D.

F. Countries of Exportation

The Fresh Mushrooms that are the subject of this Petition are produced in and exported from Canada. Petitioners have no knowledge that the subject merchandise is currently being transshipped through any third country to the United States.

G. Producers and Exporters of Subject Merchandise

As required by the Department’s regulations, a list of all known producers and exporters of Fresh Mushrooms from Canada is included in **Exhibit GEN-6**. See 19 C.F.R. § 351.202(b)(7)(i)(A).

H. Volume and Value of Imports

Pursuant to the Department’s regulations, the volume and value of U.S. imports of Fresh Mushrooms from Canada are presented in **Exhibit GEN-7** for calendar years 2022, 2023, and 2024, as well as for January through June of 2024 and 2025. See 19 C.F.R. § 351.202(b)(8).

I. Names and Addresses of U.S. Importers

Based on information reasonably available to Petitioners, and as required by the Department's regulations, a list of known and suspected U.S. importers of Fresh Mushrooms from Canada is included in **Exhibit GEN-8**. See 19 C.F.R. § 351.202(b)(9).

II. INFORMATION RELATED TO SALES AT LESS THAN FAIR VALUE AND COUNTERAVAILABLE SUBSIDIES

Information related to allegations of less-than-fair-value sales of Fresh Mushrooms from Canada is provided in Volume II of this Petition. Information related to allegations of countervailable subsidies on Fresh Mushrooms from Canada is provided in Volume III of this Petition.

III. THE U.S. FRESH MUSHROOMS INDUSTRY HAS BEEN MATERIALLY INJURED BY REASON OF UNFAIRLY-TRADED IMPORTS FROM CANADA

A. The Domestic Like Product Mirrors the Scope of the Petition

The statute defines a “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.” See 19 U.S.C. § 1677(10). In identifying the domestic like product, the starting point for the Commission's analysis is the scope of the case. See, e.g., Hitachi Metals, Ltd. v. United States, 949 F.3d 710, 717-718 (Fed. Cir. 2020) (citing Cleo Inc. v. United States, 501 F.3d 1291, 1298 n.1 (Fed. Cir. 2007)).

In reaching a like product determination, the Commission considers a number of factors, including physical characteristics and uses, interchangeability, channels of distribution, customer and producer perceptions, common manufacturing facilities, production processes and employees, and – where appropriate – price. See, e.g., Timken Co. v. United States, 913 F. Supp. 580, 584 (Ct. Int'l Trade 1996); Nippon Steel Corp. v. United States, 19 CIT 450, 455

PUBLIC VERSION

(1995). The Commission's determination regarding the appropriate like product is based on a case-by-case factual analysis in which no single factor is dispositive. See S. Rep. No. 249, 96th Cong., 1st Sess. 90-91 (1979). The Commission looks for clear defining lines between products, but disregards minor variations. See, e.g., Nippon Steel Corp., 19 CIT at 455; 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).

The fresh *Agaricus* mushrooms covered by this Petition are typically sold as high-volume, low-cost products through mass-market retail channels such as grocery stores and supermarkets. In contrast, exotic mushrooms (e.g., maitake mushrooms, oyster mushrooms, and shitake mushrooms) are low-volume, high-margin products that are primarily sold direct-to-consumer at farmers markets and specialty stores. The cultivation of fresh *Agaricus* mushrooms calls for entirely different raw materials and environmental conditions than the cultivation of exotic mushrooms. While fresh *Agaricus* mushrooms are grown using a nutrient-rich compost that requires pasteurization, exotic mushrooms are grown on sterilized sawdust and/or straw. The production of fresh *Agaricus* mushrooms is large-scale, highly specialized, and highly mechanized – involving significant infrastructure for environmental control – while the production of exotic mushrooms is more accessible for small-scale growers and hobbyists.

Producers and customers perceive fresh *Agaricus* mushrooms to be different than exotic mushrooms in that they are familiar, versatile, and affordable for everyday cooking. In contrast, exotic mushrooms are viewed as a premium ingredient used for unique culinary experiences or distinct health benefits. With regard to pricing, exotic mushrooms are significantly more expensive than fresh *Agaricus* mushrooms, reflecting the fact that exotic mushrooms are a specialty product that is grown and sold on a much smaller scale. Accordingly, the domestic like

product in these investigations should be defined as all fresh mushrooms of the genus *Agaricus*, co-extensive with the scope definition.

B. The Domestic Industry Consists of All U.S. Producers of Fresh Mushrooms

Section 771(4)(A) of the Act defines the relevant 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.” 19 U.S.C. § 1677(4)(A). Based on the domestic like product definition, the domestic industry consists of all U.S. producers of Fresh Mushrooms, as identified above in Sections I.A-I.B.

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

(I) the processed agricultural product is produced from the raw agricultural product through a single continuous line of production;³ and

(II) there is a substantial coincidence of economic interest between the producers or growers of the raw agricultural product and the processors of the processed agricultural product based upon relevant economic factors, which may, in the discretion of the Commission, include price, added market value, or other economic interrelationships (regardless of whether such coincidence of economic interest is based upon any legal relationship).⁴

³ The statute provides that the processed agricultural product shall be considered to be processed from a raw agricultural product through a single continuous line of production if “the raw agricultural product is substantially or completely devoted to the production of the processed agricultural product” and “the processed agricultural product is produced substantially or completely from the raw product.” *Id.* § 1677(4)(E)(ii).

⁴ The statute instructs that the Commission shall “consider the degree of correlation between the price of the raw agricultural product and the price of the processed agricultural product” if price is taken into account, and “consider whether the value of the raw agricultural product constitutes a significant percentage of the value of the processed agricultural product” if added market value is taken into account. *Id.* § 1677(4)(E)(iii).

PUBLIC VERSION

See id. § 1677(4)(E)(i).

The requirements of this provision are satisfied here. As a threshold matter, there is a continuous line of production from growers to packers because the raw Fresh Mushrooms cultivated by growers are substantially devoted to the production of the packaged Fresh Mushrooms sold by packers (i.e., raw materials account for about [80%] of the cost of goods sold of the domestic like product). See Exhibit GEN-9. Further, there is a coincidence of economic interests between growers and packers because the vast majority of packers own affiliated farms that account for a substantial part of their supply of raw Fresh Mushrooms. That circumstance provides packers with an incentive to help growers lower production costs through higher yields and better management. Accordingly, U.S. growers of Fresh Mushrooms, as well as U.S. packers of Fresh Mushrooms, should be included within the domestic industry.

C. Imports of Fresh Mushrooms from Canada Are Not Negligible

Pursuant to section 771(24) of the Act, imports from any single country that account for less than three percent of the total import volume for subject merchandise in the most recent 12-month period for which data are available preceding the filing of the Petition are considered negligible. See 19 U.S.C. § 1677(24)(A)(i). As shown below in Table 2, official import statistics for the most recent 12-month period for which data are available (i.e., August 2024 through July 2025) indicate that U.S. imports of Fresh Mushrooms from Canada substantially exceed the statutory negligibility threshold.

Source	Quantity in Pounds	Share of Total Imports
Canada	159,671,162	90.8%
All Others	16,161,805	9.2%
Total	175,832,967	100.0%

PUBLIC VERSION

Source: Exhibit GEN-10.

D. Fresh Mushroom Imports from Canada Are Causing Material Injury to the Domestic Fresh Mushrooms Industry

In determining whether the domestic industry has been injured by reason of the imports under investigation, the statute directs the Commission to consider:

- (1) the volume of imports of the subject merchandise;
- (2) the effect of imports of that merchandise on prices in the United States for the domestic like product; and
- (3) the impact of imports of such merchandise on domestic producers in the context of production operations within the United States.

See 19 U.S.C. § 1677(7)(B). Information reasonably available to Petitioners demonstrates that increasing volumes of dumped and subsidized imports of Fresh Mushrooms from Canada have been – and continue to be – a cause of material injury to the domestic industry.

1. The Volume of Subject Imports, on An Absolute and Relative Basis, Was Significant and Increasing in Recent Years

The statute instructs the Commission to 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.” 19 U.S.C. § 1677(7)(C)(i). Here, the volume of U.S. imports of Fresh Mushrooms from Canada is significant on an absolute basis, as well as relative to U.S. production and U.S. consumption. Subject imports accounted for 88.5 percent of total U.S. imports of Fresh Mushrooms in 2024. See Exhibit GEN-11. Moreover, subject imports were equal to [] percent of domestic production, and [25] percent of domestic consumption, in that same year. See id.; **Exhibit GEN-9.** By the first half of 2025, subject imports had risen to account for [] percent of U.S. production and [] percent of U.S. consumption. See Exhibits GEN-9 and GEN-11.

PUBLIC VERSION

U.S. imports of Fresh Mushrooms from Canada also increased significantly during the period of investigation (“POI”). The volume of subject imports increased by 7.4 percent over the past three years, surging from 143.4 million pounds in 2022 to 154.0 million pounds in 2024. See Exhibit GEN-11. The volume of subject imports continued to accelerate between the interim periods, growing from 76.5 million pounds in Jan.-June 2024 to 80.6 million pounds in Jan.-June 2025 (or by 5.4 percent). See id. U.S. imports of Fresh Mushrooms from Canada also expanded their share of the domestic market during the POI. The market share held by subject imports remained elevated over the past three years, increasing from [] percent in 2022 to [25] percent in 2024, and rising even further to [] percent in Jan.-June 2025. See id. The volume of and market share held by subject imports, as well as the increases in those volumes and market shares, are significant within the meaning of the statute.

2. **The Dumped and Subsidized Subject Imports Have Had Significant Negative Price Effects on the U.S. Fresh Mushrooms Industry**

Fresh Mushrooms are a price-sensitive product. The increasing volumes of low-priced, unfairly-traded imports of Fresh Mushrooms from Canada have caused significant negative price effects on U.S. producers of Fresh Mushrooms. Price underselling by dumped and subsidized subject imports has taken sales from the domestic industry and has significantly depressed and suppressed the prices at which U.S. producers have sold Fresh Mushrooms during the POI.

a. **Subject Imports Have Undercut, As Well As Depressed and Suppressed, U.S. Prices**

Information reasonably available to Petitioners indicates that the surge in U.S. imports of Fresh Mushrooms from Canada was accomplished through significant underselling of the domestic like product by subject imports, providing important evidence that subject imports have had negative price effects in the U.S. market. Petitioners’ examples of lost sales and lost

PUBLIC VERSION

revenues set forth in **Exhibit GEN-12** show that the prices of the subject imports are consistently below U.S. producer prices, placing significant pricing pressure on the domestic industry. See Exhibit GEN-12.

Table 3: Domestic Industry's Price Depression and Suppression (Quantity in Pounds, Value in Dollars)					
	2022	2023	2024	Jan.-June 2024	Jan.-June 2025
Net Sales Quantity	[]	[]	[]	[]	[]
Net Sales Value	[]	[]	[]	[]	[]
Unit Net Sales Value	[]	[\$2.10]	[]	[]	[\$2.00]
COGS	[]	[]	[]	[]	[]
Unit COGS	[\$1.90]	[]	[\$1.95]	[]	[]
Source: Exhibit GEN-9.					

As reflected above in Table 3, the domestic industry's unit costs increased by [] per pound more than its unit net sales value from 2022 to 2024. See Exhibit GEN-9. The price suppression from 2022 to 2024 led to the U.S. producers' continued financial decline, as described in further detail below. See infra Section III.D.3. Further, between Jan.-June 2024 and Jan.-Jun 2025, the domestic industry experienced price depression as its unit net sales value decreased by [] per pound and its unit costs [DESCRIPTION OF TREND] See Exhibit GEN-9. As subject imports overwhelmingly undersold the domestic like product, the domestic industry was forced to compete with lower-priced imports and accept lower prices from customers. These lower prices resulted in U.S. producers experiencing a price-cost squeeze that led to price suppression and price depression, as well as a poor and worsening financial condition.

b. Price Descriptors for ITC Questionnaires

Pursuant to section 207.11(b)(2)(iv) of the Commission's regulations, 19 C.F.R. § 207.11(b)(2)(iv), Petitioners recommend that the Commission collect pricing data on the following products:

Product 1: Whites, medium whole, in 8-ounce 6-, 10-, or 12-packs, marketed as organic

Product 2: Whites, medium whole, in 8-ounce 6-, 10-, or 12-packs, marketed as conventional

Product 3: Browns (criminis or baby bellas), medium whole, in 8-ounce 6-, 10-, or 12-packs, marketed as conventional

Product 4: Whites, medium whole, in 5 to 10 pound boxes, marketed as conventional

The unit of measurement for the quantity data should be pounds. These price descriptors account for a significant percentage of Fresh Mushrooms sold in the United States and cover substantial portions of sales of both the domestic like product and the subject imports. Accordingly, they are the appropriate products for the Commission's pricing analysis and price comparisons.

c. The Commission Should Solicit Data on Direct Import Pricing

To the best of Petitioners' knowledge, subject imports are imported directly by major end users of Fresh Mushrooms, such as Acme Food Sales, Albertsons, Costco Wholesale, and US Foods. See, e.g., Exhibit GEN-8. The Commission, therefore, should gather direct import pricing data for Canada on the products identified above.

3. Unfair Imports Have Had an Injurious Impact on the Domestic Industry Producing Fresh Mushrooms

In assessing whether a domestic industry is materially injured by reason of unfairly traded imports, the Commission considers relevant statutory factors reflecting the state of the domestic industry. See 19 U.S.C. § 1677(7)(c)(iii). Here, the domestic industry producing Fresh Mushrooms has suffered material injury by reason of the subject imports, as manifested in

PUBLIC VERSION

market share lost to the unfairly-traded imports, depressed and suppressed U.S. prices, and a resulting deterioration in key trade and financial variables.

- The increase in low-priced imports from Canada resulted in a significant [] percentage point gain in subject import market share from 2022 to interim 2025, from [] percent in 2022 to [25] percent in Jan.-June 2025. See Exhibit GEN-11. As the unfairly-traded imports captured sales from the domestic industry, U.S. producer market share declined correspondingly, falling from [] percent in 2022 to [75] percent in interim 2025. See id.
- As a result of a significant loss in sales, the domestic industry was forced to operate at a capacity utilization rate of less than [] percent in 2024. See Exhibit GEN-9. The domestic industry has ample capacity to produce Fresh Mushrooms to supply its customers, but has been unable to sell more Fresh Mushrooms into the U.S. market due to a loss of sales to lower-priced, unfairly-traded subject imports.
- The increasing volumes of low-priced subject imports that continually undersold the domestic like product resulted in substantial financial harm as well. U.S. packers' profitability declined from 2022 to 2024 and between the interim periods. See id. Specifically, operating income dropped from [\$10 MILLION] in 2022 to [] in 2024, and from [] during Jan.-June 2024 to [BREAK EVEN] during Jan.-June 2025. See id. As a share of net sales, operating income dropped from [] percent in 2022 to [] percent in 2024, and from [2] percent during Jan.-June 2024 to [] percent during Jan.-June 2025. See id. Similarly, net income plummeted from [] in 2022 to [A LOSS] in 2024, and from [] during Jan.-June 2024 to [] during Jan.-June 2025. See id. As a share of net sales, net income dropped from [] percent in 2022 to [] percent in 2024, and from [2] percent during Jan.-June 2024 to [] percent during Jan.-June 2025. See id.
- In late 2024, a non-Petitioner U.S. packer – Monterey Mushrooms – announced the closure of its Royal Oaks, California facility – a move that eliminated 605 employees. See Exhibit GEN-13. In January 2024, Monterey Mushrooms closed two of its farms in Orlando, Florida and Princetown, Illinois. See id.
- U.S. growers experienced [] throughout the 2022 to 2024 period. See Exhibit GEN-14. Growers accounting for a significant share of U.S. production of Fresh Mushrooms were forced to shut down partial or entire growing facilities since January 2022 due to low-priced import competition from Canada (i.e., [

PUBLIC VERSION

NAMES OF GROWERS

D.

The causal link between subject imports and the U.S. industry's financial performance is further corroborated by the significant incidents of lost sales and lost revenues provided in this Petition. See Exhibit GEN-12. This exhibit identifies instances in which the domestic industry lost sales to unfairly-traded imports of Fresh Mushrooms from Canada, as well as transactions in which the domestic industry lost revenues as a result of being forced to lower prices in response to competing bids from subject imports. See id. This evidence of lost sales and lost revenues ties the financial performance of the domestic industry to the injurious price effects and volume impact of the dumped and subsidized subject imports.

4. Conclusion

Each of the statutory factors demonstrating material injury is met in this case. The volume of subject imports increased over the POI and was significant both in absolute terms and in relation to the size of the U.S. market. Subject imports systematically undersold the domestic like product, capturing significant volumes of sales from the domestic industry, and depressing and suppressing U.S. prices. The impact on the domestic industry was a weak and deteriorating trade and financial performance from 2022 to 2024 – an anemic condition that continued into Jan.-June 2025. On this basis, imports of Fresh Mushrooms from Canada have caused material injury to the domestic industry.

PUBLIC VERSION

IV. THE DOMESTIC INDUSTRY IS THREATENED WITH FURTHER MATERIAL INJURY BY REASON OF UNFAIRLY-TRADED IMPORTS OF FRESH MUSHROOMS FROM CANADA

A. The Domestic Industry Is Vulnerable to Material Injury by Reason of Subject Imports

In its assessment of threat, the Commission first considers whether the domestic industry is vulnerable to material injury by reason of the subject imports. See, e.g., Seamless Refined Copper Pipe and Tube from China and Mexico, USITC Pub. 4193 (Final) (Nov. 2010) at 34; Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from China, USITC Pub. 4190 (Final) (Nov. 2010) at 27-28. To assess whether the domestic industry is vulnerable to injury from unfairly-traded subject imports, the Commission examines various performance indicators for U.S. producers of the subject merchandise. These indicators may include information relating to capacity utilization, employment, operating income, production, profitability, and shipments. The Commission also gives particular weight to the performance of the domestic industry at the end of the POI. See, e.g., Seamless Refined Copper Pipe and Tube from China and Mexico, USITC Pub. 4193 (Final) (Nov. 2010) at 34.

As discussed above, the current state of the domestic industry is characterized by anemic and declining profitability, as well as underutilized capacity. See supra Section III.D.3; **Exhibit GEN-9**; **Exhibit GEN-14**. Notably, as subject import market share increased from [] percent in 2022 to [25] percent in 2024, U.S. packers' operating income fell from [] to [] and their operating income to net sales ratio fell from [] to [] **BREAK EVEN** [] to [] See id. Similarly, as subject import market share continued to increase between the interim periods – rising from [] percent in Jan.-June 2024 to [] percent in Jan.-June 2025 – domestic packers' profits plummeted by [] percent. See id.

PUBLIC VERSION

Throughout the POI, moreover, U.S. packers maintained capacity utilization rates at or below [80] percent – substantially lower than the levels necessary to maintain profitability in this industry. See id.

B. Subject Imports Have Demonstrated an Ability to Penetrate the Domestic Market Rapidly

The statute instructs the Commission to examine whether there has been a “significant rate of increase of the volume or market penetration of imports of the subject merchandise” in analyzing the likelihood of a substantially increased volume of subject imports in the future. 19 U.S.C. § 1677(7)(F)(i)(III). As demonstrated above, the volume of U.S. imports of Fresh Mushrooms from Canada increased from 143.4 million pounds in 2022 to 154.0 million pounds in 2024 (or by 7.4 percent). See supra Section III.D.1; **Exhibit GEN-11**. The volume of subject imports continued to accelerate into the interim period, increasing from 76.5 million pounds during Jan.-June 2024 to 80.6 million pounds during Jan.-June 2025. See id. This rapid surge in U.S. imports of Fresh Mushrooms from Canada solidified their foothold in the United States, as the market share held by these imports grew by [] percentage points – from [] percent in 2022 to [25] percent in Jan.-June 2025. See id. As such, the rapidly accelerating rate of growth in subject imports is a sign of likely continued volume and market share increases in the future absent the imposition of trade remedies.

C. Subject Imports Have Had Verifiable Adverse Price Effects That Are Likely to Continue

The statute provides that, in determining whether a domestic industry is threatened with material injury by reason of subject imports, the Commission should consider “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.” 19

U.S.C. § 1677(7)(F)(i)(IV). As demonstrated above, subject imports have already had such depressing and suppressing effects. See supra Section III.D.2. If subject imports continue to enter the U.S. market in large volumes, and at prices that substantially undersell the domestic like product, it is likely that domestic prices will remain suppressed and decline even further. Thus, this statutory factor indicates that subject imports will threaten the domestic industry with further material injury in the absence of trade relief.

D. Subject Producers Maintain Massive Excess Capacity to Produce Fresh Mushrooms, Are Highly Export-Oriented, and Are Likely to Further Target the United States

In evaluating threat of material injury, the statute instructs the Commission to consider “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.” 19 U.S.C. § 1677(7)(F)(i)(II). As demonstrated below, producers of Fresh Mushrooms in Canada maintain substantial production capacity and are leading global suppliers of the subject merchandise. Moreover, the subject producers are expanding, internationally competitive, and highly export-oriented.

- **Highline Mushrooms** is the largest producer of Fresh Mushrooms in Canada, and has the capacity to grow over 58 million pounds of mushrooms annually. See Exhibit GEN-15. The company is increasing its production capacity by investing in a new, state-of-the-art organic mushroom farm in Leamington, Ontario, which is expected to be fully operational by the end of 2025. See id. This new facility, in partnership with Christiaens Group, will boost production and is intended to be a key part of Highline Mushrooms’ expansion into the organic market. See id. The company also expanded its western Canadian operations significantly in 2018 via the acquisition of Prairie Mushrooms. See id.
- **Champ’s Mushrooms** – which is related to U.S. producer South Mill Champs – has an annual output of more than 40 million pounds of mushrooms. See id. In 2020, the company expanded its Canadian capacity by acquiring Loveday Mushroom Farms in Winnipeg, Manitoba. See id.

- **Farmers' Fresh Mushrooms** is one of the largest packers of Fresh Mushrooms in Western Canada, produces 30 million pounds of mushrooms annually, and generates \$83 million in yearly sales. See id. Farmers' Fresh Mushrooms sells mushrooms to the North American retail market and wholesale food industry, and it exports significant volumes to the United States. See id.
- **Greenwood Mushrooms** produces about 29 million pounds of mushrooms per year in Ontario, Canada. See id. Greenwood has a distribution network that includes the United States. See id.
- **Carleton Mushroom Farms** of Osgoode, Ontario has steadily increased its production of mushrooms to 10.5 million pounds per year. See id. Based on the company's own website, "{its} steady expansion and attention to quality has allowed {it} to become a leading supplier of fresh mushrooms." See id.

E. Subject Producers in Canada Benefit from Substantial Countervailable Subsidies

The Government of Canada encourages exportation of Fresh Mushrooms through countervailable subsidies, including export subsidies. The statute directs the Commission to consider the nature of any countervailable subsidies, particularly export and import substitution subsidies expressly prohibited by Article 3 of the WTO Agreement on Subsidies and Countervailing Measures ("SCM Agreement"), and whether imports of the subject merchandise are likely to increase as a result of such subsidies. See 19 U.S.C. § 1677(7)(F)(i)(I). Article 3 of the SCM Agreement describes subsidies that are prohibited because they are contingent on export performance or on the use of domestic over imported goods. See Agreement on Subsidies and Countervailing Measures (Apr. 15, 1994), Marrakesh Agreement Establishing the World Trade Organization, Annex 1, 1867 U.N.T.S. 14 at Art. 3.

Subject producers in Canada have received countervailable subsidies, including numerous export subsidies. See Petition Vol. III. Among these subsidies are:

- Export loans, credit, and insurance provided to Fresh Mushrooms producers at preferential rates by government authorities, where receipt of the financing is contingent on exporting;

PUBLIC VERSION

- Preferential income tax treatment or exemptions, contingent on exporting, for Fresh Mushrooms producers; and
- Grants provided to Fresh Mushrooms producers and exporters to assist in the defense of trade disputes or the development of export markets, or to recognize export performance.

See id. These export and import substitution subsidies violate Article 3 of the SCM Agreement and are likely to provide Fresh Mushrooms producers in Canada with additional incentives to target their production toward export markets, and particularly toward the United States.

V. CONCLUSION

The information presented in this Petition provides evidence reasonably available to Petitioners that Fresh Mushrooms from Canada are being, or are likely to be, sold in the United States at less than fair value, and that the Government of Canada is providing countervailable subsidies with respect to the manufacture, production, and export of Fresh Mushrooms. This Petition also provides evidence that the U.S. industry producing Fresh Mushrooms is being materially injured, and is threatened with further material injury, by reason of these unfairly-traded imports. Accordingly, antidumping and countervailing duty investigations should be initiated against imports of Fresh Mushrooms from Canada, and duties should be imposed to offset these unfair trade practices.