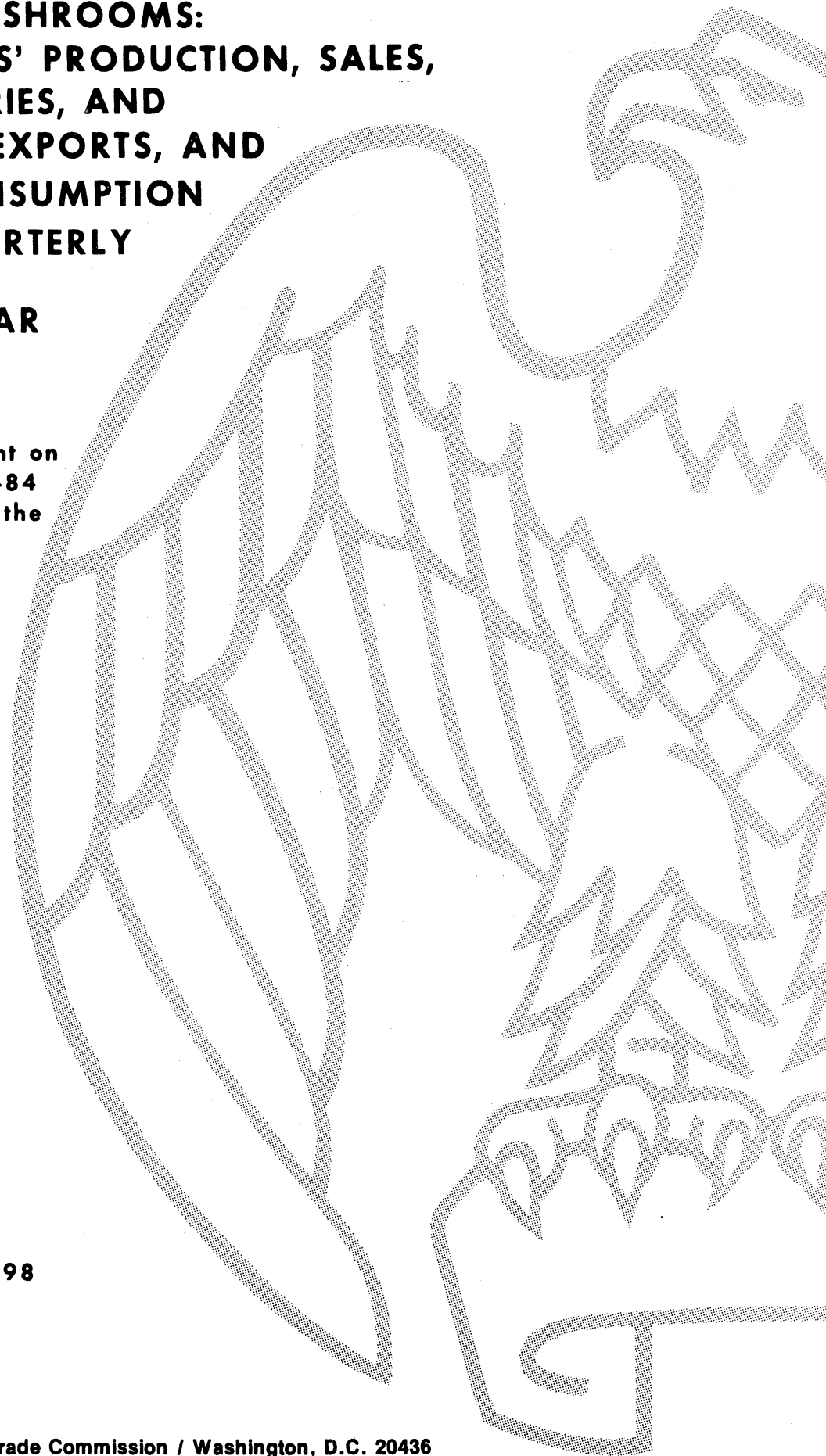


**PROCESSED MUSHROOMS:
U.S. PRODUCERS' PRODUCTION, SALES,
AND INVENTORIES, AND
U.S. IMPORTS, EXPORTS, AND
APPARENT CONSUMPTION
FIFTEENTH QUARTERLY
REPORT:
THIRD CALENDAR
QUARTER 1981**

**Report to the President on
Investigation No. 332-84
Under Section 332 of the
Tariff Act of 1930**

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UNITED STATES INTERNATIONAL TRADE COMMISSION

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THE FIFTEENTH QUARTERLY REPORT ON PROCESSED MUSHROOMS

HIGHLIGHTS

During the third quarter (July-September) 1981, compared to the same quarter 1980:

- APPARENT CONSUMPTION of canned mushrooms declined 12 percent to 49.1 million pounds;
- DOMESTIC PRODUCTION increased 46 percent to 23.1 million pounds;
- SALES of domestic canned mushrooms declined 7 percent to 20.7 million pounds;
- PRODUCER INVENTORIES of canned mushrooms increased 14 percent to 25.1 million pounds;
- IMPORTS declined 21 percent to 24 million pounds, constituting 49 percent of consumption compared to 55 percent last year; and
- EXPORTS increased 52 percent to 191,000 pounds.

QUARTERLY STATISTICS

For the third quarter of 1981, compared with the same quarter a year earlier, domestic production and ending inventories of canned mushrooms increased while sales by domestic producers, imports, and apparent consumption decreased. Domestic production totaled 23.1 million pounds (+46 percent); inventories by producers, 25.1 million pounds (+14 percent); sales by producers, 20.7 million pounds (-7 percent); imports, 24 million pounds (-21 percent); and apparent consumption, 49.1 million pounds (-12 percent).

Sales

The decline in sales of domestic canned mushrooms primarily reflected a sharp drop in sales of those mushrooms packed as stems and pieces in institutional-size containers, which usually are used by food processors and retail food-service outlets. Sales of frozen mushrooms (4.7 million pounds), however, were 40 percent more than in the corresponding period of 1980. Sales of frozen mushrooms were equivalent to 23 percent of canned mushroom sales, up from 15 percent in the same quarter 1980. Exports increased 52 percent to 191,000 pounds, but remained negligible with respect to U.S. production and apparent consumption.

Imports

The reduction in imports of processed mushrooms reflects the temporary rate of duty increase imposed on prepared or preserved mushrooms which became effective on November 1, 1980. This action, directed by the President, was taken under provisions of the Trade Act of 1974 following a U.S. International Trade Commission determination that imports of prepared or preserved mushrooms are a substantial cause of serious injury, or the threat thereof, to the domestic industry. Third quarter 1981 imports were equivalent to 49 percent of consumption, compared with 55 percent in the same quarter a year earlier.

Taiwan had been the principal supplier of imported mushrooms in recent years, but during the third quarter of 1981, its position fell behind that of the People's Republic of China (China). Between July-September of 1980 and 1981, Taiwan's share of the imports dropped from 54 to 27 percent while China's jumped from 10 to 38 percent. The other major suppliers are the Republic of Korea (Korea) and Hong Kong. The share of total imports from Hong Kong rose slightly from 19 to 20 percent while that from Korea dropped from 13 to 11 percent. China, which was granted most-favored-nation status on February 1, 1980, was the only major supplier of imported mushrooms to register a gain (nearly 300 percent) during July-September 1981 compared with the corresponding period of 1980.

Third Quarters 1979-81

The performance of the processed mushroom industry was mixed during the third-quarter periods of 1979-81. Production and ending inventories of canned mushrooms increased each quarter while sales, imports, and consumption rose for the 1979 and 1980 third-quarter periods, but declined during third quarter 1981. The ratio of imports to consumption dropped from 60 percent to 49 percent during the period.

MARKET YEAR DATA

As discussed in the fourteenth quarterly report, production, imports, and apparent consumption all declined for the most recent marketing year (July 1980-June 1981) compared with the preceding marketing year (1979/80), with the ratio of imports to consumption declining from 52 to 45 percent. In that year, domestic production totaled 100.4 million pounds and imports, 96.5 million pounds, decreases of 3 percent for production and 15 percent for imports from the previous year.

Apparent consumption correspondingly fell 3 percent to 213.1 million pounds. Sales of canned mushrooms increased 4 percent to 99.5 million pounds in 1980/81. In regard to frozen mushrooms, sales in 1980/81 reached 17.5 million pounds, an increase of 59 percent from 1979/80. In 1980/81, sales of frozen mushrooms were equivalent to 18 percent of canned mushrooms sales, up from 12 percent in 1980/81.

A REPORT OF CERTAIN QUARTERLY STATISTICS FOR PROCESSED MUSHROOMS FOR SPECIFIED PERIODS

(The information provided in this report was compiled by the United States International Trade Commission as requested by the President in accordance with section 332(g) of the Tariff Act of 1930, as amended (19 U.S.C. 1332(g)), in order to monitor import competition in the domestic market for processed mushrooms. Data included herein cover the stocks, production, and sales of U.S. producers of canned mushrooms, sales of U.S. processors of frozen mushrooms, imports under item 144.20 of the Tariff Schedules of the United States, exports, and apparent consumption.)

Item	(In thousands of pounds, drained-weight basis)				Marketing year
	1979	1980	1981	July-September	
Carry-in stocks of canned mushrooms	20,044	28,140	28,751	20,044	July 1, 1979- June 30, 1980
Carry-out stocks of canned mushrooms:					July 1, 1980- June 30, 1981
9 ounces or less:					
Whole	389	1,195	1,062	1,755	417
Sliced	1,009	2,347	404	2,679	1,293
Other	6,017	12,798	16,707	16,831	21,146
Total	7,415	16,340	18,173	21,265	22,856
Over 9 ounces:					
Whole	72	118	65	157	64
Sliced	468	3,112	2,950	2,457	1,801
Other	1,611	2,543	3,911	4,261	4,030
Total	2,151	5,773	6,926	6,875	5,895
Total carry-out stocks	9,566	22,113	25,099	28,140	28,751
Production of canned mushrooms:					
9 ounces or less:					
Whole	400	358	1,029	4,891	2,741
Sliced	1,044	1,296	716	9,616	6,773
Other	4,019	7,075	13,423	45,846	54,935
Total	5,463	8,729	15,168	60,353	64,449
Over 9 ounces:					
Whole	40	58	73	1,019	291
Sliced	669	4,467	5,838	13,325	16,769
Other	3,448	2,554	2,007	28,809	18,852
Total	4,157	7,079	7,918	43,153	35,912
Total production	9,620	15,808	23,086	103,506	100,361

See footnotes at end of table.

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Item	(In thousands of pounds, drained-weight basis)				Marketing year	
	July-September		July 1, 1979- June 30, 1980		July 1, 1980- June 30, 1981	
	1979	1980	1981	1979- 1980	1980- 1981	
Sales:						
Canned mushrooms:						
9 ounces or less:						
Whole-----	741	868	604	3,919	4,080	
Sliced-----	1,692	1,624	1,415	8,197	8,169	
Other-----	9,690	11,108	11,700	45,762	48,576	
Total-----	12,123	13,600	13,719	57,878	60,825	
Over 9 ounces:						
Whole-----	94	87	61	386	369	
Sliced-----	1,013	4,090	4,920	11,349	19,135	
Other-----	5,171	4,442	1,957	25,908	19,164	
Total-----	6,278	8,619	6,938	37,643	38,668	
Total sales, canned-----	18,901	22,219	20,657	95,521	99,493	
Frozen mushrooms 1/-----	1,541	3,342	4,679	11,016	17,464	
Exports-----	113	126	191	662	339	
Imports from--						
Taiwan-----	18,044	16,604	6,493	61,287	39,448	
Hong Kong-----	3,483	5,696	4,894	17,552	21,398	
People's Republic of China-----	15	3,135	9,174	4,275	20,214	
Republic of Korea-----	7,744	3,962	2,705	25,925	11,258	
All other-----	834	1,075	694	4,570	4,185	
Total-----	30,120	30,472	23,960	113,609	96,503	
Apparent consumption 2/-----	49,949	55,907	49,105	219,484	213,121	
Ratio of imports to consumption-----percent--	60	55	49	52	45	

1/ Data on frozen mushrooms converted to drained-weight equivalents.

2/ Data do not take into account disappearance from losses or waste of domestic canners or changes in stocks of producers of canned or frozen mushrooms or importers.

Source: Stocks, production, and sales were estimated from data submitted in response to questionnaires of the U.S. International Trade Commission; exports and imports were compiled from official statistics of the U.S. Department of Commerce.

Note.--Data on stocks, production, and sales may not add because of losses.

