

**CERTAIN FRESH CUT FLOWERS FROM CANADA,  
CHILE, COLOMBIA, COSTA RICA, ECUADOR,  
ISRAEL, KENYA, MEXICO,  
THE NETHERLANDS, AND PERU**

**Determinations of the Commission in  
Investigations Nos. 303-TA-17 and  
18, and 701-TA-275 Through 278  
(Preliminary) Under the Tariff Act of  
1930, Together With the Information  
Obtained in the Investigations**

**USITC PUBLICATION 1877**

**JULY 1986**

**Determinations of the Commission in  
Investigations Nos. 731-TA-327  
Through 334 (Preliminary) Under the  
Tariff Act of 1930, Together With the  
Information Obtained in  
the Investigations**

# UNITED STATES INTERNATIONAL TRADE COMMISSION

## COMMISSIONERS

**Susan W. Liebeler, Chairman**  
**Anne E. Brunsdale, Vice Chairman**  
**Paula Stern**  
**Alfred E. Eckes**  
**Seeley G. Lodwick**  
**David B. Rohr**

This report was prepared by:

Daniel Dwyer, Investigator  
Lawrence Rausch, Investigator  
William Lipovsky, Commodity-Industry Analyst  
Elizabeth Henning, Economist  
Richard Laulor, Financial Analyst  
Judith M. Czako, Attorney  
Vera Libeau, Supervisory Investigator

**Address all communications to**  
**Kenneth R. Mason, Secretary to the Commission**  
**United States International Trade Commission**  
**Washington, DC 20436**

C O N T E N T S

	<u>Page</u>
Determinations-----	1
Views of Vice Chairman Brunsdale, Commissioner Stern, Commissioner Eckes, Commissioner Lodwick, and Commissioner Rohr-----	5
Additional views of Chairman Liebeler-----	17
Information obtained in the investigations:	
Introduction-----	A-1
Previous and related investigations-----	A-2
The product:	
Description and uses-----	A-3
Production process-----	A-5
U.S. tariff treatment-----	A-6
The nature and extent of alleged sales at less than fair value and alleged subsidies-----	A-6
Canada:	
Alleged subsidies-----	A-6
Alleged sales at LTFV-----	A-7
Chile:	
Alleged subsidies-----	A-7
Alleged sales at LTFV-----	A-8
Colombia-----	A-8
Costa Rica-----	A-8
Ecuador-----	A-8
Israel-----	A-9
Kenya:	
Alleged subsidies-----	A-9
Alleged sales at LTFV-----	A-9
Mexico-----	A-9
The Netherlands-----	A-10
Peru:	
Alleged subsidies-----	A-10
Alleged sales at LTFV-----	A-10
The U.S. market:	
Market factors-----	A-10
Apparent U.S. consumption-----	A-12
The U.S. industry:	
U.S. producers-----	A-15
Standard and miniature carnations-----	A-16
Standard and pompon chrysanthemums-----	A-16
Alstroemeria, gerberas, and gypsophila-----	A-16
Channels of distribution:	
U.S. production-----	A-16
Imports-----	A-17
Consideration of material injury to an industry in the United States:	
U.S. area in production:	
USDA information-----	A-18

## CONTENTS

Information obtained in the investigations--Continued	
Consideration of material injury to an industry in the	
United States--Continued	
U.S. area in production--Continued	
Commission and petitioner's information-----	A-19
Comparative information-----	A-20
U.S. producers' shipments:	
USDA information-----	A-21
Commission and petitioner's information-----	A-21
Comparative information-----	A-24
U.S. employment and wages-----	A-26
Financial experience of U.S. growers-----	A-26
Consideration of the threat of material injury to an industry in the	
United States-----	A-36
Foreign producers and U.S. importers-----	A-36
Colombia-----	A-37
Kenya-----	A-37
Netherlands-----	A-39
Israel-----	A-40
Mexico-----	A-41
Canada-----	A-42
Other countries-----	A-42
Consideration of the causal relationship between imports of the	
subject products and the alleged injury:	
U.S. imports and market penetration:	
Imports from all sources-----	A-43
Imports from Canada-----	A-43
Imports from Chile-----	A-43
Imports from Colombia-----	A-43
Imports from Costa Rica-----	A-49
Imports from Ecuador-----	A-49
Imports from Israel-----	A-49
Imports from Kenya-----	A-50
Imports from Mexico-----	A-50
Imports from the Netherlands-----	A-50
Imports from Peru-----	A-50
Prices-----	A-51
Price trends-----	A-52
Price comparisons-----	A-58
U.S. growers' prices-----	A-59
Importers' prices-----	A-63
Transportation costs-----	A-64
Exchange rates-----	A-65
Appendix A. Matrix of imports under investigation, countries, and	
investigation numbers-----	B-1
Appendix B. <u>Federal Register</u> notices-----	B-3
Appendix C. <u>List of witnesses</u> appearing at the conference-----	B-23
Appendix D. Sources of information on the U.S. industry-----	B-27
Appendix E. Supplemental tables-----	B-29
Appendix F. High and low prices for certain fresh cut flowers-----	B-35



## CONTENTS

## Figures

	<u>Page</u>
1. Standard carnations: U.S. grower and import prices, by months, January 1984-March 1986-----	A-53
2. Miniature carnations: U.S. grower and import prices, by months, January 1984-March 1986-----	A-54
3. Standard chrysanthemums: U.S. grower and import prices, by months, January 1984-March 1986-----	A-55
4. Pompom chrysanthemums: U.S. grower and import prices, by months, January 1984-March 1986-----	A-56
5. Gypsophila: U.S. grower and import prices, by months, January 1984-March 1986-----	A-57

## Tables

1. Certain fresh cut flowers: Apparent U.S. consumption, 1983-85, January-March 1985, and January-March 1986-----	A-13
2. Certain fresh cut flowers: Area in production, 1981, 1984-85, and intended 1986-----	A-19
3. Certain fresh cut flowers: Area in production, 1983-85-----	A-20
4. Certain fresh cut flowers: U.S. producers' shipments (USDA statistics), 1981, 1984-85, January-March 1985, and January-March 1986-----	A-22
5. Certain fresh cut flowers: U.S. producers' shipments (questionnaire data), 1983-85, January-March 1985, and January-March 1986-----	A-23
6. Certain fresh cut flowers: U.S. producers' shipments (USDA and questionnaire data), 1983-85, January-March 1985, and January-March 1986-----	A-25
7. Production and related workers producing certain fresh cut flowers, hours worked by, and wages paid to those workers, 1983-85-----	A-27
8. Income-and-loss experience of 79 U.S. growers on their operations growing seven fresh cut flowers, accounting years 1983-85-----	A-28
9. Income-and-loss experience of 79 U.S. growers on their total operations growing seven fresh cut flowers, other fresh cut flowers, and other greenhouse products, accounting years 1983-85-----	A-31
10. Selected financial data of 79 U.S. growers on their operations growing seven fresh cut flowers, by individual flower, accounting years 1983-85-----	A-32
11. Certain fresh cut flowers: Colombia's domestic shipments and exports, 1983-85-----	A-38
12. Certain fresh cut flowers: Kenya's production, capacity, capacity utilization, and exports to the United States, 1983-85-----	A-39
13. Certain fresh cut flowers: Netherlands' capacity, production, domestic shipments, and exports, 1983-85-----	A-40
14. Certain fresh cut flowers: U.S. imports for consumption, 1983-85 January-March 1985, and January-March 1986-----	A-44

## CONTENTS

## Tables--Continued

15.	Certain fresh cut flowers: Shares of apparent U.S. consumption held by imports and by U.S. producers' shipments, 1984-85, January-March 1985, and January-March 1986-----	A-46
16.	Certain fresh cut flowers: High and low annual prices for selected flowers, compiled from prices for the first full week of each month, 1984-1985-----	A-58
17.	Standard carnations: Weighted-average prices for spot sales and consignment sales, as reported by U.S. growers and importers, for the first full week of February 1983-86, August 1983-85, and December 1983-85-----	A-60
18.	Miniature carnations: Weighted-average prices for standing order sales, spot sales and consignment sales, as reported by U.S. growers and importers, for the first full week of February 1983-86, August 1983-85, and December 1983-85-----	A-60
19.	Standard chrysanthemums: Weighted-average prices for standing order sales and spot sales as reported by U.S. growers and importers, for the first full week of February 1983-86, August 1983-85, and December 1983-85-----	A-61
20.	Pompom chrysanthemums: Weighted-average prices for standing order sales, spot sales and consignment sales, as reported by U.S. growers and importers, for the first full week of February 1983-86, August 1983-85, and December 1983-85-----	A-61
21.	Alstroemeria: Weighted-average prices for standing order sales and spot sales as reported by U.S. growers and importers, for the first full week of February 1983-86, August 1983-85, and December 1983-85-----	A-62
22.	Gerberas: Weighted-average prices for standing order sales and consignment sales, as reported by U.S. growers and importers, for the first full week of February 1983-86, August 1983-85, and December 1983-85-----	A-62
23.	Gypsophila: Weighted-average prices for standing order sales, spot sales and consignment sales, as reported by U.S. growers and importers, for the first full week of February 1983-86, August 1983-85, and December 1983-85-----	A-62
24.	Exchange rates: Nominal-exchange-rate equivalents of selected currencies in U.S. dollars, real-exchange-rate equivalents, and producer price indicators in specified countries, indexed by quarters, January 1983-March 1986-----	A-66
A-1.	Certain fresh cut flowers: Information on countries and products subject to investigation-----	B-2
E-1.	Certain fresh cut flowers: Area in production (based on estimates from Commission questionnaires) 1983-85, January-March 1985, and January-March 1986-----	B-30
E-2.	Certain fresh cut flowers: U.S. producers' shipments (based on data submitted in Commission questionnaires and provided by the petitioner), 1983-85, January-March 1985, and January-March 1986---	B-31

## CONTENTS

## Tables--Continued

E-3. Certain fresh cut flowers: U.S. producers' shipments, (based on estimates from Commission questionnaires), 1984-85, January-March 1985, and January-March 1986-----	B-33
F-1. Certain fresh cut flowers: High and low domestic prices for the first week of each month, January 1984-March 1986-----	B-36
F-2. Certain fresh cut flowers: High and low import prices for the first week of each month, January 1984-March 1986-----	B-37

Note.--Information that would reveal the confidential operations of individual concerns may not be published and therefore has been deleted from this report. Such deletions are indicated by asterisks.

PDF Create! 6 Trial  
www.nuance.com

UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, DC

Investigations Nos. 303-TA-17 and 18, 701-TA-275 through 278,  
and 731-TA-327 through 334 (Preliminary)

CERTAIN FRESH CUT FLOWERS FROM CANADA, CHILE, COLOMBIA, COSTA RICA,  
ECUADOR, ISRAEL, KENYA, MEXICO, THE NETHERLANDS, AND PERU

Determinations

On the basis of the record 1/ developed in its countervailing duty investigations, the Commission determines, pursuant to sections 303 of the Tariff Act of 1930 (19 U.S.C. § 1303) and 703(a) of the Tariff Act of 1930 (19 U.S.C. § 1671b(a)) as amended (the "Act"), that there is a reasonable indication that an industry in the United States is materially injured by reason of imports from Canada, Chile, Israel, Kenya, the Netherlands, and Peru of certain fresh cut flowers, provided for in items 192.17 and 192.21 of the Tariff Schedules of the United States, which are alleged to be subsidized by the governments of the cited countries:

Canada 2/ [Investigation No. 701-TA-275 (Preliminary)],  
Chile 3/ [Investigation No. 701-TA-276 (Preliminary)],  
Israel 4/ [Investigation No. 701-TA-277 (Preliminary)],  
Kenya 5/ [Investigation No. 303-TA-17 (Preliminary)],  
The Netherlands 6/ [Investigation No. 701-TA-278 (Preliminary)], and  
Peru 7/ [Investigation No. 303-TA-18 (Preliminary)].

---

1/ The record is defined in sec. 207.2(i) of the Commission's Rules of Practice and Procedure (19 CFR § 207.2(i)).

2/ Fresh cut flowers from Canada subject to investigation include miniature (spray) carnations and standard carnations, provided for in items 192.17 and 192.21, respectively, of the Tariff Schedules of the United States (TSUS).

3/ Fresh cut flowers from Chile subject to investigation include standard carnations, provided for in item 192.21 of the TSUS.

4/ Fresh cut flowers from Israel subject to investigation include miniature (spray) carnations and gerbera, provided for in items 192.17 and 192.21, respectively, of the TSUS.

5/ Fresh cut flowers from Kenya subject to investigation include miniature (spray) carnations and standard carnations, provided for in items 192.17 and 192.21, respectively, of the TSUS.

6/ Fresh cut flowers from the Netherlands subject to investigation include miniature (spray) carnations (TSUS item 192.17), and standard chrysanthemums, alstroemeria, and gerbera, provided for in item 192.21 of the TSUS.

7/ Fresh cut flowers from Peru subject to investigation include miniature (spray) carnations (TSUS item 192.17), and pompom chrysanthemums and gypsophila, provided for in item 192.21 of the TSUS.

On the basis of the record developed in its antidumping investigations, the Commission determines, pursuant to section 733(a) of the Act (19 U.S.C. § 1673b(a)), that there is a reasonable indication that an industry in the United States is materially injured by reason of imports from the following countries of certain fresh cut flowers, provided for in items 192.17 and 192.21 of the Tariff Schedules of the United States, which are alleged to be sold in the United States at less than fair value (LTFV):

Canada 2/ [Investigation No. 731-TA-327 (Preliminary)],  
 Chile 3/ [Investigation No. 731-TA-328 (Preliminary)],  
 Colombia 8/ [Investigation No. 731-TA-329 (Preliminary)],  
 Costa Rica 9/ [Investigation No. 731-TA-330 (Preliminary)],  
 Ecuador 10/ [Investigation No. 731-TA-331 (Preliminary)],  
 Kenya 5/ [Investigation No. 731-TA-332 (Preliminary)],  
 Mexico 11/ [Investigation No. 731-TA-333 (Preliminary)], and  
 Peru 7/ [Investigation No. 731-TA-334 (Preliminary)].

#### Background

On May 21, 1986, petitions were filed with the Commission and the Department of Commerce by counsel on behalf of the Floral Trade Council, Davis, CA. The petitions allege that imports of certain fresh cut flowers

---

8/ Fresh cut flowers from Colombia subject to investigation include miniature (spray) carnations (TSUS item 192.17), and standard carnations, standard chrysanthemums, pompom chrysanthemums, alstroemeria, gerbera, and gypsophila, provided for in item 192.21 of the TSUS.

9/ Fresh cut flowers from Costa Rica subject to investigation include miniature (spray) carnations (TSUS item 192.17), and standard carnations and pompom chrysanthemums, provided for in item 192.21 of the TSUS.

10/ Fresh cut flowers from Ecuador subject to investigation include miniature (spray) carnations (TSUS item 192.17), and standard carnations, standard chrysanthemums, and pompom chrysanthemums, provided for in item 192.21 of the TSUS.

11/ Fresh cut flowers from Mexico subject to investigation include standard carnations, standard chrysanthemums, and pompom chrysanthemums, provided for in item 192.21 of the TSUS.

from Canada, Chile, Colombia, Costa Rica, Ecuador, Israel, Kenya, the Netherlands, and Peru are being subsidized by the governments of those countries, that imports of certain fresh cut flowers from Canada, Chile, Colombia, Costa Rica, Ecuador, Kenya, Mexico, and Peru are being sold in the United States at less than fair value, and that an industry in the United States is materially injured and threatened with material injury by reason of such imports. Accordingly, effective May 21, 1986, the Commission instituted preliminary countervailing duty investigations Nos. 303-TA-17 and 18 (Preliminary) and 701-TA-275 through 278 (Preliminary) 12/ and preliminary antidumping investigations Nos. 731-TA-327 through 334 (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 June 6, 1986 (51 FR 20716). The conference was held in Washington, DC, on June 13, 1986, and all persons who requested the opportunity were permitted to appear in person or by counsel.

---

12/ The Commission did not institute countervailing duty investigations of the imported products from Colombia, Costa Rica, and Ecuador because these countries are not "under the Agreement" pursuant to section 701(b) of the Act and are not otherwise accorded an injury investigation under section 303 of the Act.

PDF Create! 6 Trial  
www.nuance.com



VIEWS OF VICE CHAIRMAN BRUNSDALE, COMMISSIONER STERN,  
COMMISSIONER ECKES, COMMISSIONER LODWICK, AND COMMISSIONER ROHR

We determine that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of certain fresh cut flowers from Canada, Chile, Colombia, Costa Rica, Ecuador, Kenya, Mexico, and Peru which are allegedly being sold at less than fair value (LTFV). We also determine that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of certain fresh cut flowers allegedly subsidized by the governments of Canada, Chile, Israel, Kenya, the Netherlands, and Peru. 1/

Definition of like product/domestic industry

As a prerequisite to its material injury analysis, the Commission must first determine the relevant domestic industry against which to assess the impact of unfairly traded imports. Section 771(4)(A) of the Tariff Act of 1930 defines the term "industry" as--

The domestic producers as a whole of a like product, or those producers whose collective output of the like product constitutes a major proportion of the total domestic production of that product. 2/

"Like product" is in turn defined in section 771(10) 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 . . . ." 3/

The "article subject to an investigation" is defined by the scope of the investigation initiated by Commerce. In this investigation, the articles

---

1/ Since there is an established domestic industry, "material retardation" was not raised as an issue in this investigation and will not be discussed further.

2/ 19 U.S.C. § 1677(4)(A).

3/ 19 U.S.C. § 1677(10).

subject to investigation are standard carnations, miniature carnations, standard chrysanthemums, pompom chrysanthemums, alstroemeria, gerbera, and gypsophila. 4/ The fundamental like product question in this investigation is what domestically produced flower or flowers are "like" the seven flowers subject to investigation, within the meaning of the statute.

Carnations--These flowers are divided into two major groups, the standards and miniatures. Standard carnations produce double flowers two to three inches across, borne singly on wiry stems 18-24 inches long. Miniature carnations are bushier and more branching with flowers produced in sprays. The flowers are about one and one half inches across, with one to four flowers borne on wiry stems 12-18 inches long. Both standard and miniature carnations are grown in a range of colors and can be artificially colored; they last seven to ten days as cut flowers, and are used in boutonnieres, wreaths, and formal and informal arrangements. 5/ 6/

Chrysanthemums--There are two major groups of chrysanthemums grown for commercial use: standards and pompoms. Standard chrysanthemums have one flower, with a diameter ranging from three to eight inches, borne on stems 18-36 inches long, and last seven to twelve days, depending on variety and temperature. Pompom chrysanthemums have four to six flowers, each having a diameter of three to five inches, borne on stems 18-30 inches long, and last 10-14 days, depending on variety and temperature. Both standard and pompom

---

4/ 51 Fed. Reg. 21946-21961 (June 17, 1986).

5/ Report of the Commission (Report) at A-4.

6/ The petitions allege unfair imports of standard carnations from the following countries under investigation: Canada, Chile, Colombia, Costa Rica, Ecuador, Kenya, and Mexico. The petitions allege unfair imports of miniature carnations from the following countries under investigation: Canada, Colombia, Costa Rica, Ecuador, Israel, Kenya, the Netherlands, and Peru. See also Report at B-2.

chrysanthemums are grown in a range of colors, can be artificially colored, and are used in both formal and informal arrangements. 7/ 8/

Alstroemeria--Also called "Peruvian lilies", alstroemeria come in a variety of colors, and have a lily-like tubular flower, spotted on the petals, about two inches across. They are popular in both formal and informal arrangements. 9/ 10/

Gerbera--Also called the "transvaal or African daisy," gerbera are large, fluffy, daisy-like flowers, of two to five inches in diameter, borne on wiry stems 12-18 inches long. Gerbera are grown in a variety of intense colors. Gerbera are used in both formal and informal arrangements, and generally last three to eight days. 11/ 12/

Gypsophila--Commonly called baby's breath, gypsophila are annual and perennial herb having numerous flowers, approximately one-quarter inch in diameter, borne on profusely branched clusters of stems. Gypsophila are most commonly white, but may also be pink or red. Gypsophila last from three to eight days fresh, are used in both formal and informal arrangements, and may be kept for periods up to a year if dried. 13/ 14/

---

7/ Report at A-4.

8/ The petitions allege unfair imports of standard chrysanthemums from the following countries under investigation: Colombia, Ecuador, Mexico, and the Netherlands. The petitions allege unfair imports of pompom chrysanthemums from the following countries under investigation: Colombia, Costa Rica, Ecuador, Mexico, and Peru. See also Report at B-2.

9/ Report at A-4.

10/ The petitions allege unfair imports of alstroemeria from the following countries under investigation: Colombia, and the Netherlands. See also Report at B-2.

11/ Report at A-5.

12/ The petitions allege unfair imports of Gerbera from the following countries under investigation: Colombia, Israel, and the Netherlands. See also Report at B-2.

13/ Report at A-4.

14/ The petitions allege unfair imports of Gypsophila from the following countries under investigation: Colombia and Peru. See also Report at B-2.

Petitioner has argued that the seven flowers under investigation constitute a single like product. In the alternative, petitioner has suggested that each of the seven flowers may constitute a separate like product, or that each of the five major groups of flowers, carnations, chrysanthemums, alstroemeria, gerbera, and gypsophila, may constitute a separate like product. Respondents have suggested that the Commission consider each of the seven flowers subject to investigation as a separate like product.

All fresh cut flowers share certain characteristics, such as the need to be placed in water, protected from heat and light, a certain beauty, and a high degree of perishability. In addition, all fresh cut flowers share the same general uses, as decorative elements in homes and public places, used in formal or informal groupings or arrangements, and as items of personal adornment. Based on the characteristics and uses of the imported flowers subject to investigation, we conclude that all domestically produced fresh cut flowers are like the seven flowers subject to investigation. 15/ 16/

---

15/ We note that this determination is for the purposes of this preliminary investigation. Thus, should there be a final investigation with respect to imports of any or all of the seven flowers at issue here, we expect that the parties will provide us with further analysis of the like product issue. Specifically, we would consider whether, as was suggested, there is a separate domestic product like each of the imported flowers, as well as whether other fresh cut flowers can or should be excluded from the like product as defined above, on the basis of differences in their particular characteristics and uses.

16/ Commissioner Stern notes that further analysis of the like product issue might include discussion of the following factors: specialization among growers, growing conditions, cropping practices, harvesting practices, the amount of labor required, quality distinctions, consumer preferences, formal vs. informal uses, price differentials, market distribution, and shipping procedures. This list is not exhaustive, and parties are encouraged to identify other distinguishing characteristics and uses.

In our view, petitioner's arguments in support of a determination that the seven flowers subject to investigation are like lead to the conclusion that all fresh cut flowers are like. Thus, if the seven flowers subject to investigation are close substitutes for and compete with each other, and have an effect on each other's prices, it appears likely, on the basis of the information before us at this time, that the same is true with respect to all other fresh cut flowers. For instance, if gerbera are a close substitute for or compete with standard carnations, it appears likely that daisies are in the same position vis a vis standard carnations.

Having determined that there is one like product, we further determine that there is a single U.S. industry, consisting of the operations of U.S. flower growers devoted to the production of fresh cut flowers.

#### Condition of the domestic industry

In making a determination as to the condition of the domestic industry, the Commission considers, among other factors, changes in U.S. production, shipments, consumption, and profitability.<sup>17/</sup> The nature of the product and industry at issue in this investigation has resulted in significant difficulties in the collection and analysis of information. Pursuant to the statute, we have made our determination on the basis of the best information available at this time. Should there be a final investigation instituted with respect to imports of any or all of the flowers at issue, the record will be more complete. The best information currently available indicates that there is a reasonable indication that the condition of the U.S. industry is deteriorating.

---

<sup>17/</sup> 19 U.S.C. § 1677(7)(C)(iii).

Apparent U.S. consumption of all fresh cut flowers rose by an estimated 800 million stems from 1984 to 1985, or from 3.15 billion stems in 1984 to 3.95 billion stems in 1985. 18/ 19/ However, the ratio of domestic shipments of cut flowers to apparent U.S. consumption fell from 52 percent in 1984 to less than 43 percent in 1985. 20/ Estimated data indicate that U.S. shipments of fresh cut flowers increased slightly from 1.64 billion stems in 1984 to 1.69 billion stems in 1985. 21/ Land area in the United States devoted to production of fresh cut flowers is expected to remain steady in 1986, increasing less than one percent over 1985. 22/

Financial data collected by the Commission on 14 U.S. producers' overall flower growing operations indicate that net sales were \$23.1 million in 1983, rose to \$24 million in 1984, and then dropped to \$23.7 million in 1985. 23/

---

18/ Memo INV-J-117 (June 30, 1986) at 1.

19/ In Vice Chairman Brunsdale's view it is more appropriate in this case, insofar as it is possible, to analyze the like product "all cut flowers" using data on an aggregate value basis rather than on an aggregate quantity basis. This is because there are substantial differences in the prices of different types of flowers, particularly between standard chrysanthemums and standard carnations. On a per stem basis in 1985, the price of the former was nearly three times the price of the latter. Report at A-25. This difference means that one standard chrysanthemum stem is approximately equal to three standard carnation stems, whether from the standpoint of a domestic producer or a consumer.

The Vice Chairman also notes that the decision whether to aggregate on a value or quantity basis is likely to affect greatly both the level and trend of the ratio of domestic shipments to apparent U.S. consumption. On a basis of number of stems, this ratio was relatively low and declined substantially between 1984 and 1985, from 52 percent to 43 percent. However, on a basis of value, this ratio was apparently not only higher but also appears to have increased, from 66 percent in 1984 to 68 percent in 1985. Report at A-15. (However, according to the record in this case the value data may be underreported in 1985.) Should this case continue to a final investigation she welcomes submissions on this issue.

20/ Id.

21/ Memo INV-J-117 (June 30, 1986) at 1.

22/ Report at A-19.

23/ Commissioner Stern notes that the trend in petitioner's net sales figures for the seven cut flowers covered corresponds to the trend in data compiled from Commission questionnaires. Report at A-31.

Operating income for these same producers fell from a high in 1983 of \$2.1 million to about \$835 thousand in 1984, and declined further to a net loss in 1985 of \$507 thousand. Four firms reported losses in 1983, and 1984; however seven firms reported losses in 1985. 24/

While the data concerning the condition of the domestic industry are less complete than is commonly the case in our preliminary investigations 25/, we determine, on the basis of the best information available, that there is a reasonable indication that the U.S. industry producing fresh cut flowers is materially injured. 26/ 27/

#### Cumulation

The Trade and Tariff Act of 1984 mandates that the Commission, for purposes of evaluating the volume and price effects of imports, "cumulatively assess the volume and effect of imports from two or more countries of like products subject to investigation if such imports compete with each other and

---

24/ Memo INV-J-117 (June 30, 1986) at 6.

25/ Because of the large number of very small growers in the industry, the Commission was unable to obtain questionnaire data from producers accounting for a significant percentage of domestic production of all cut flowers. In addition, the data sought in the Commission's questionnaires were somewhat more limited than is generally the case, in view of the overall small scale of domestic flower growers. Moreover, the available USDA statistics were not as helpful to us as they have been in previous investigations involving agricultural products.

26/ Commissioner Stern believes that the causal context is critical to a reliable material injury determination. Therefore, she does not believe it necessary or desirable to make a determination on the question of material injury separate from the consideration of causation. She joins her colleagues by concluding that the domestic industry is experiencing problems. For a fuller discussion of this issue, see Additional Views of Chairwoman Stern in Cellular Mobile Telephones and Subassemblies Thereof from Japan, Inv. No. 731-TA-207 (Final), USITC Pub. No. 1786 (1985) at 18.

27/ Commissioner Eckes believes that the Commission is to make a finding regarding the question of material injury in each investigation. See Additional Views of Commissioner Eckes in Cellular Mobile Telephones and Subassemblies Thereof from Japan, id. at 20.

with like products of the domestic industry in the United States market," 28/  
and are marketed reasonably coincident in time. 29/

In making our determinations in the antidumping investigations at issue, we have cumulatively assessed the volume and effect of imports of all of the cut flowers under investigation imported from Canada, Chile, Colombia, Costa Rica, Ecuador, Kenya, Mexico, and Peru. 30/ In making our determinations in the countervailing duty investigations at issue, we have cumulatively assessed the volume and price effects of imports of all of the cut flowers under investigation imported from Canada, Chile, Israel, Kenya, the Netherlands, and Peru. 31/ 32/ In addition, in making our countervailing duty determinations, we have cumulatively assessed the volume and price effects of imports of all of the cut flowers under investigation imported from Colombia, Costa Rica, and Ecuador. We note that imports from these three countries are not subject to injury investigations before the Commission. However, the statute does not require that imports be subject to an injury investigation for cumulation to be required. Imports from these three countries are subject to countervailing duty investigations before the Department of Commerce. Consequently, we have included these imports in our cumulative analysis.

---

28/ 19 U.S.C. § 1677(7)(C)(iv).

29/ H.R. Rep. No. 1156, 98th Cong., 2d Sess., 173 (1984).

30/ See notes 6, 8, 10, 12, 14, supra, for the specific flowers at issue imported from each country.

31/ See notes 6, 8, 10, 12, 14, supra, for the specific flowers at issue imported from each country.

32/ Vice Chairman Brunsdale, Commissioner Stern, and Commissioner Rohr find it unnecessary to "cross cumulate" allegedly subsidized and allegedly LTFV imports to reach their affirmative preliminary determinations in these investigations.

Commissioner Eckes and Commissioner Lodwick did cross cumulate, but note that they would have made the same determinations had they not cross cumulated.



Reasonable indication of material injury by reason of allegedly LTFV imports from Canada, Chile, Colombia, Costa Rica, Ecuador, Kenya, Mexico, and Peru

When making a determination as to whether there is a reasonable indication of material injury, the statute provides that:

the Commission shall consider, among other factors:

- (i) the volume of imports of the merchandise which is the subject of the investigation,
- (ii) the effect of imports of that merchandise on prices in the United States for like products, and
- (iii) the impact of imports of such merchandise on domestic producers of like products. 33/

U.S. imports of the seven flowers under investigation from the countries indicated above increased from 997 million stems in 1983 to 1.03 billion stems in 1984, and further increased to 1.28 billion stems in 1985. The most recent data show a continued increase, with imports increasing by 14 percent in the interim period January-March 1986 as compared with the corresponding period of 1985. 34/

Reliable data concerning apparent U.S. consumption of all fresh cut flowers are available only for calendar years 1984 and 1985. The share of apparent U.S. consumption of all fresh cut flowers accounted for by imports of the seven flowers from the countries indicated remained relatively stable, at 32.8 percent in 1984 and 32.4 percent in 1985. 35/ This represents a significant share of the U.S. market for fresh cut flowers.

The Commission considered price trends compiled from official statistics of the USDA for both imported and domestic standard and miniature carnations, standard and pompom chrysanthemums, and gypsophila. The figures demonstrate

---

33/ 19 U.S.C. § 1677(7)(B).

34/ See Report at A-45.

35/ See Report at A-48.

the wide monthly price fluctuations in the fresh cut flower industry. 36/ Moreover, there is no apparent overall trend for any of the five flowers for which price trends were constructed. Import prices tended to move similarly to those of domestic growers during the peak periods, and to remain below domestic grower prices during off-peak periods. 37/ Because of the lack of directly comparable information for imports of the flowers under investigation from the countries under investigation, as well as the substantial fluctuations in pricing evident in the fresh cut flower industry, we are unable to draw firm conclusions as to underselling or price suppression and depression. However, in light of the generally weak condition of the industry, and the high level of import penetration at prices which seem to be generally lower than domestic prices, we determine that there is a reasonable indication of material injury by reason of allegedly LTFV imports of the seven flowers under investigation from Canada, Chile, Colombia, Costa Rica, Ecuador, Kenya, Mexico, and Peru.

Reasonable indication of material injury by reason of allegedly subsidized imports from Canada, Chile, Israel, Kenya, the Netherlands, and Peru 38/

U.S. imports of the seven flowers under investigation from the countries indicated above increased from 993 million stems in 1983 to 1.0 billion stems in 1984, and further increased to 1.3 billion stems in 1985. The most recent data show a continued increase, from 327 million stems during the interim

---

36/ Report at A-53-A-57, Figures 1-5.

37/ Report at A-53-A-57, Figures 1-5. Gypsophila prices are the exception, with prices of imports remaining above those of domestic growers in all but a few months. Id.

38/ In making this determination, we have also cumulatively assessed the effect of allegedly subsidized imports from Colombia, Costa Rica, and Ecuador. See discussion at page 12, supra.

period January-March 1985 to 373 million stems during the corresponding period of 1986. 39/

The share of apparent U.S. consumption of all fresh cut flowers accounted for by imports of the seven flowers from the countries indicated increased slightly during the period 1984-1985, from 32.5 percent in 1984 to 33.0 percent in 1985. 40/

As noted above, the Commission considered price trends compiled from official statistics of the USDA for both imported and domestic standard and miniature carnations, standard and pompon chrysanthemums, and gypsophila.

In light of the generally weak condition of the industry, the high level of import penetration, and the increasing imports at prices which seem to be generally lower than domestic prices, we determine that there is a reasonable indication of material injury by reason of allegedly subsidized imports of the seven flowers under investigation from Canada, Chile, Israel, Kenya, the Netherlands, and Peru.

---

39/ See Report at A-45.

40/ See Report at A-48.

PDF Create! 6 Trial  
www.nuance.com

## ADDITIONAL VIEWS OF CHAIRMAN LIEBELER

I join with my fellow Commissioners in determining that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of certain fresh cut flowers from Canada, Chile, Colombia, Costa Rica, Ecuador, Kenya, Mexico and Peru allegedly being sold at less than fair value. I also determine that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of certain fresh cut flowers allegedly subsidized by the governments of Canada, Chile, Israel, Kenya, the Netherlands and Peru.

Like Product and Domestic Industry

I join with my fellow Commissioners in their analysis of like product and domestic industry. For purposes of this preliminary investigation, I determine that there is one like product and one U.S. industry.

---

1

Given the existence of an established domestic industry, "material retardation" was not raised during this investigation, and I shall not discuss it further.

2

While I determine in this preliminary investigation that all fresh cut flowers are alike, if there is a final investigation I will review further evidence on product market with respect to the issue of whether the fresh cut flowers subject to investigation are seven like products.

### Material Injury by Reason of Imports

In order for a domestic industry to prevail in a preliminary investigation, the Commission must determine that there is a reasonable indication that the dumped or subsidized imports cause or threaten to cause material injury to the domestic industry producing the like product. First, the Commission must determine whether the domestic industry producing the like product is materially injured or is threatened with material injury. Second, the Commission must determine whether any injury or threat thereof is by reason of the dumped or subsidized imports. Only if the Commission finds a reasonable indication of both injury and causation, will it make an affirmative determination in the investigation.

Before analyzing the data, however, the first question is whether the statute is clear or whether one must resort to the legislative history in order to interpret the relevant sections of the antidumping law. In general, the accepted rule of statutory construction is that a statute, clear and unambiguous on its face, need not and cannot be interpreted using secondary sources. Only statutes that are of doubtful meaning are subject to

such statutory interpretation.

The statutory language used for both parts of the two-part analysis is ambiguous. "Material injury" is defined as "harm which is not inconsequential, immaterial, or unimportant."<sup>4</sup> This definition leaves unclear what is meant by harm. As for the causation test, "by reason of" lends itself to no easy interpretation, and has been the subject of much debate by past and present commissioners. Clearly, well-informed persons may differ as to the interpretation of the causation and material injury sections of title VII. Therefore, the legislative history becomes helpful in interpreting title VII.

The ambiguity arises in part because it is clear that the presence in the United States of additional foreign supply will always make the domestic industry worse off. Any time a foreign producer exports products to the United States, the increase in supply, ceteris paribus, must result in a lower price of the product than

---

3

Sands, Sutherland Statutory Construction Sec. 45.02 (4th Ed.)

4

19 U.S.C. sec. 1977(7) (A) (1980).

would otherwise prevail. If a downward effect on price, accompanied by a Department of Commerce dumping or subsidy finding and a Commission finding that financial indicators were down were all that were required for an affirmative determination, there would be no need to inquire further into causation.

But the legislative history shows that the mere presence of LTFV imports is not sufficient to establish causation. In the legislative history to the Trade Agreements Acts of 1979, Congress stated:

[T]he ITC will consider information which indicates that harm is caused by factors other<sup>5</sup> than the less-than-fair-value imports.

The Finance Committee emphasized the need for an exhaustive causation analysis, stating, "the Commission must satisfy itself that, in light of all the information presented, there is a sufficient causal link between the less-than-fair-value imports and the requisite injury."<sup>6</sup>

---

<sup>5</sup>  
Report on the Trade Agreements Act of 1979, S. Rep. No. 249, 96th Cong. 1st Sess. 75 (1979).

<sup>6</sup>  
Id.



The Senate Finance Committee acknowledged that the causation analysis would not be easy: "The determination of the ITC with respect to causation, is under current law, and will be, under section 735, complex and difficult, and is matter for the judgment of the ITC."<sup>7</sup> Since the domestic industry is no doubt worse off by the presence of any imports (whether LTFV or fairly traded) and Congress has directed that this is not enough upon which to base an affirmative determination, the Commission must delve further to find what condition Congress has attempted to remedy.

In the legislative history to the 1974 Act, the Senate Finance Committee stated that the law was designed to prevent unfair price discrimination:

This Act is not a 'protectionist' statute designed to bar or restrict U.S. imports; rather, it is a statute designed to free U.S. imports from unfair price discrimination practices. \* \* \* The Antidumping Act is designed to discourage and prevent foreign suppliers from using unfair price discrimination practices to the detriment of a United States industry.<sup>8</sup>

---

7

Id.

8

Trade Reform Act of 1974, S. Rep. 1298, 93rd Cong. 2d Sess. 179.

Thus, the focus of the analysis must be on what constitutes unfair price discrimination and what harm results therefrom:

[T]he Antidumping Act does not proscribe transactions which involve selling an imported product at a price which is not lower than that needed to make the product competitive in the U.S. market, even though the price of the imported product is lower than its home market<sup>9</sup> price.

This "difficult and complex" judgment by the Commission is aided greatly by the use of economic and financial analysis. One of the most important assumptions of traditional microeconomic theory is that firms attempt to maximize profits.<sup>10</sup> Congress was obviously familiar with the economist's tools: "[I]mporters as prudent businessmen dealing fairly would be interested in maximizing profits by selling at prices as high as the U.S. market would bear."<sup>11</sup>

---

9

Id.

10

See, e.g., P. Samuelson & W. Nordhaus, Economics 42-45 (12th ed. 1985); W. Nicholson, Intermediate Microeconomics and Its Application 7 (3d ed. 1983).

11

Trade Reform Act of 1974, S. Rep. 1298, 93rd Cong. 2d Sess. 179.

An assertion of unfair price discrimination should be accompanied by a factual record that can support such a conclusion. In accord with economic theory and the legislative history, foreign firms should be presumed to behave rationally. Therefore, if the factual setting in which the unfair imports occur does not support any gain to be had by unfair price discrimination, it is reasonable to conclude that any injury or threat of injury to the domestic industry is not "by reason of" such imports.

In many cases unfair price discrimination by a competitor would be irrational. In general, it is not rational to charge a price below that necessary to sell one's product. In certain circumstances, a firm may try to capture a sufficient market share to be able to raise its price in the future. To move from a position where the firm has no market power to a position where the firm has such power, the firm may lower its price below that which is necessary to meet competition. It is this condition which Congress must have meant when it charged us "to discourage and prevent foreign suppliers from using unfair price discrimination practices to the detriment of a United States industry."<sup>12</sup>

---

12

Trade Reform Act of 1974, S. Rep. 1298, 93rd Cong. 2d Sess. 179.

In Certain Red Raspberries from Canada, I set forth a framework for examining what factual setting would merit an affirmative finding under the law interpreted in light of the cited legislative history.<sup>13</sup>

The stronger the evidence of the following . . . the more likely that an affirmative determination will be made: (1) large and increasing market share, (2) high dumping margins, (3) homogeneous products, (4) declining prices and (5) barriers to entry to other foreign producers (low elasticity of supply of other imports).<sup>14</sup>

The statute requires the Commission to examine the volume of imports, the effect of imports on prices, and the general impact of imports on domestic producers.<sup>15</sup> The legislative history provides some guidance for applying these criteria. The factors incorporate both the statutory criteria and the guidance provided by the legislative history. Each of these factors is evaluated in turn after a discussion of the cumulation issue in these investigations.

---

13

Inv. No. 731-TA-196 (Final), USITC Pub. 1680, at 11-19 (1985) (Additional Views of Vice Chairman Liebler).

14

Id. at 16.

15

19 U.S.C. 1677(7)(B)-(C) (1980 & cum. supp. 1985).

Cumulation

Petitioners urge the Commission to cumulate imports of all the countries in all the current fresh cut flower investigations before the Department of Commerce and the Commission.<sup>16</sup> These investigations involve three different determinations: countervailing duty without entitlement to injury determination, countervailing duty subject to injury determination, and antidumping duty investigations.

I do not cumulate across countervailing duty and dumping statutes. I believe that the statute is clear on this matter. First, Commission treatment of foreign government subsidization of imports and sales by private firms at LTFV are governed by different sections of Title VII. This raises a presumption that Congress intended to treat the two activities separately. Second, not cross-cumulating is historical Commission practice, existing prior to the statutory enactment of the existing statutory cumulation provisions. Obviously, Congress could have chosen to alter this practice but did not do

---

16

Post-Conference Brief of the Petitioner (June 18, 1986) at 32.

so. Third, the wording of the operative sections of Title VII precludes cross-cumulation. For example, the language of the countervailing duty section clearly requires that the injury be by reason of subsidized imports, not subsidized and dumped imports.<sup>17</sup> If the Commission were to cross-cumulate, it would be acting outside its statutory authority. One simply cannot make an affirmative determination in, e.g., a countervailing duty case based on dumped imports.<sup>18</sup> Thus, in these investigations, the market shares of Israel and the Netherlands are not added in with the others in the dumping cases, and the market share of Mexico is excluded

---

17

The Commission is to examine whether an industry in the United States is materially injured or threatened with material injury "by reason of imports of that merchandise \* \* \*" 19 U.S.C. 1671(a)(2) (1980 & 1985 Supp.) (emphasis added).

18

In Bingham and Taylor, Div. Virginia Industries, Slip Op. 86-14 (Feb. 14, 1986), the Court of International Trade stated that cumulation across statutes is required. The Commission has voted to appeal Bingham to the Court of Appeals for the Federal Circuit. Until this issue is resolved I shall not cumulate across statutes because I believe the statutes preclude cross-cumulating. For a complete discussion of my views on cross-cumulation, see Certain Carbon Steel Products from Austria, Czechoslovakia, East Germany, Hungary, Norway, Poland, Romania, Sweden, and Venezuela, Inv. Nos. 701-TA-225-234 (Preliminary) & 731-TA-213-217, 219, 221-226, & 228-235 (Preliminary), USITC Pub. 2642, at 41-50 (1985) (Views of Vice Chairman Liebler).

from the cumulated share in the subsidy cases. Neither Mexico nor Israel have a large market share so there is little effect of not cross-cumulating between the dumping and subsidy cases in this instance.

Conversely, Colombia is the major flower producer of those under investigation under the countervailing duty laws. Cumulating the section 303 investigation involving Colombia with the subsidy investigations under title VII has a large impact on the market share data. Although there may be sound reasons for not cross-cumulating between section 303 and title VII,<sup>19</sup> since this is the

---

19

The same problems arise here as with cross-cumulation between the dumping and the subsidy statutes. Congressional intent may be to treat these distinct problems separately. A distinct issue in this case is whether it is appropriate to cumulate imports from small countries with those of large countries. The Conference Report accompanying the Trade and Tariff Act of 1984 notes that "[t]he provision requires cumulation of imports from various countries that each account individually for a small percentage of total market penetration but when combined may cause material injury." H.R. Rep. No. 1156, 98th Cong., 2d Sess., reprinted in 131 Cong. Rec. 11531, 11578 (Oct. 5, 1984). In Photo Albums and Photo Album Filler Pages from Hong Kong and the Republic of Korea, Inv. Nos. 731-TA-240 & 241 (final), USITC Pub. 1784 (1985), respondents argued that cumulation is inappropriate among countries when at least one country accounts for a large share of the total market. This argument has been presented again in this investigation, see, e.g., Post-Conference Brief on Behalf of the Asociacion de Productores y Exportadores de Flores (June (Footnote continued on next page)

first time this issue has been outcome determinative since the enactment of the cumulation provision, for the purpose of this preliminary I have decided to cumulate.<sup>20</sup> Thus, the cumulated market share in both the dumping and subsidy cases are approximately the same at around 33 percent.

### Causation analysis

Examining import penetration data is relevant because unfair price discrimination has as its goal, and cannot take place in the absence of, market power. Cumulated imports of fresh cut flowers represent approximately one-third of domestic consumption of all fresh cut flowers and import penetration is growing. The first indicator therefore suggests that unfair price discrimination conditions may exist.

The second factor is a high margin of dumping or subsidy. The higher the margin, ceteris paribus, the more likely it is that the product is being sold below the

---

(Footnote continued from previous page)  
17, 1986) at 11-14; Post-Conference Brief on Behalf of Flores Esmeralda S.C.R.L. (June 17, 1986) at 9-11, and deserves further attention in the event of a final investigation.

20

In the event of a final, I expect that this issue will be further examined and I will further investigate whether the imports and domestic products compete with each other within the meaning of the cumulation provision.



competitive price and the more likely it is that the domestic producers will be adversely affected. In a preliminary investigation, the Commerce Department has not yet had time to calculate any margins. I therefore rely on the margins alleged by petitioner. The petitioner alleges LTFV margins which exceed 100 percent for most countries under investigation.<sup>21</sup> These alleged dumping margins ranged up to 355.9 percent. These margins are very high and consistent with the presence of unfair price discrimination. No subsidy margins were alleged.

The third factor is the homogeneity of the products. The more homogeneous the products, the greater will be the effect of any allegedly unfair practice on domestic producers. There is some evidence, which is confidential and cannot be disclosed here, suggesting that the domestic and imported product differ in terms of quality.<sup>22</sup> I ask that this be further investigated in the event that this case reaches a final.

As to the fourth factor, evidence of declining domestic prices, ceteris paribus, might indicate that domestic producers were lowering their prices to maintain

---

21  
Report at A-6-A-10.

22  
Report at A-12.

market share. Domestic prices for most flowers fluctuated during the period under investigation. Due to the erratic behavior of domestic prices, this factor is inconclusive.

The fifth factor is barriers to entry (foreign supply elasticity). If there are barriers to entry (or low foreign elasticity of supply) it is more likely that a producer can gain market power. The large market share held by countries not subject to investigation indicates that there do not appear to be barriers to entry in this case, but I ask that this issue be investigated further if this case reaches a final to determine whether these other imports compete with the imports subject to  
<sup>23</sup>  
 investigation.

These five factors must be balanced in each case to reach a sound determination. Market share is large and growing. The alleged margins are very high.  
<sup>24</sup>  
 The other factors are inconclusive at this time. Taken as a whole, the factors in this case are not inconsistent with an affirmative finding in the preliminary investigations

---

23

Memorandum to the Commission from the Director of Investigations, Inv-J-117 (June 30, 1986).

24

There are no allegations with respect to the magnitude of the subsidy margins. I determine that it would be inappropriate to terminate an investigation because of the absence of a quantified subsidy allegation.

involving allegedly dumped and subsidized imports of certain fresh cut flowers.

### Conclusion

Therefore, I conclude that there is a reasonable indication that an industry in the United States is materially injured by reason of allegedly dumped imports of certain fresh cut flowers from Canada, Chile, Colombia, Costa Rica, Ecuador, Kenya, Mexico and Peru. I also conclude that there is a reasonable indication that an industry in the U.S. is materially injured by reason of imports of certain fresh cut flowers allegedly subsidized by the governments of Canada, Chile, Israel, Kenya, the Netherlands and Peru.

PDF Creator  
www.nuance.com

PDF Create! 6 Trial  
www.nuance.com

Introduction

On May 21, 1986, petitions were filed with the U.S. International Trade Commission and the U.S. Department of Commerce by counsel on behalf of the Floral Trade Council, Davis, CA. The petitions allege that imports of certain fresh cut flowers from Canada, Chile, Colombia, Costa Rica, Ecuador, Israel, Kenya, the Netherlands, and Peru are being subsidized by the Governments of those countries, that imports of certain fresh cut flowers from Canada, Chile, Colombia, Costa Rica, Ecuador, Kenya, Mexico, and Peru are being sold in the United States at less than fair value (LTFV), and that an industry in the United States is materially injured and threatened with material injury by reason of such imports.

The petitions describe the term "certain fresh cut flowers" as consisting of the following flowers: standard carnations, miniature carnations, standard chrysanthemums, pompom chrysanthemums, 1/ alstroemeria, gerberas, and gypsophila. 2/ Imports of one or more of these flowers from each of the countries specified above are allegedly being subsidized or sold at LTFV. 3/

Effective May 21, 1986, the Commission instituted preliminary countervailing duty investigations Nos. 303-TA-17 and 18 (Preliminary) and 701-TA-275 through 278 (Preliminary) 4/ and preliminary antidumping investigations Nos. 731-TA-327 through 334 (Preliminary) under the applicable provisions of the Tariff Act of 1930, as amended (the "Act") 5/ to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded by reason of imports of such merchandise into the United States. 6/

---

1/ The petitions, and the industry, refer to "pompon" chrysanthemums; this report, however, follows the designation in the Tariff Schedules of the United States for "pompon" chrysanthemums.

2/ Antidumping and countervailing duty petitions, pp. 6-11.

3/ Ibid., p. 12. A table describing the imports under investigation for each country is presented at app. A.

4/ The Commission did not institute countervailing duty investigations of the imported products from Colombia, Costa Rica, and Ecuador because these countries are not "under the Agreement" pursuant to section 701(b) of the Act and are not otherwise accorded an injury investigation under section 303 of the Act.

5/ 19 U.S.C. 1671b(a) and 1673b(a).

6/ A table describing the investigation numbers associated with each country is presented in app. A.

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 June 6, 1986 (51 F.R. 20716). 1/ The conference was held in Washington, DC, on June 13, 1986. 2/ The Commission voted on these investigations on July 2, 1986, and transmitted its determinations to the U.S. Department of Commerce on July 7, 1986.

#### Previous and Related Investigations

The Commission conducted one previous investigation that addressed imports of fresh cut flowers, including the seven flowers specified in the petition for the current investigations. Investigation No. TA-201-22 was instituted effective February 12, 1977, under section 201 of the Trade Act of 1974, on the basis of a petition filed by the Grower Division of the Society of American Florists and Ornamental Horticulturists. The investigation covered imports of all fresh cut flowers. The Commission determined that such flowers were not being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or threat thereof, to a domestic industry. 3/

The U.S. Department of Commerce has conducted countervailing duty investigations of fresh cut flowers including certain of the seven flowers specified in the petition for the current investigations. The Commission did not conduct concurrent investigations because the countries involved were not accorded an injury test under sections 701 or 303 of the Act.

An investigation concerning roses and all other fresh cut flowers except miniature carnations from Colombia was initiated in 1982. On January 18, 1983, Commerce entered into a suspension agreement following an affirmative preliminary determination. Under the agreement, Colombian producers and exporters renounced all countervailable benefits, and Commerce, as a result, suspended the investigation. 4/

An investigation concerning standard and miniature carnations, standard and pompom chrysanthemums, and roses from Mexico was initiated on September 30, 1983. On April 16, 1984, Commerce made a final negative determination in the investigation. 5/

In addition to the cases noted above, a number of investigations have been undertaken with respect to fresh cut roses. In February 1980, the Commission unanimously determined, under section 701 of the Act, that there

---

1/ A copy of the Commission's notice is presented in app. B.

2/ A list of witnesses appearing at the conference is presented in app. C.

3/ Certain Fresh Cut Flowers, Determination of the Commission in investigation No. TA-201-22, Together with the Information Obtained in the Investigation. . . ., USITC Publication 827, August 1977.

4/ 48 F.R. 2158.

5/ 49 F.R. 15007.

was no reasonable indication of material injury to a domestic industry by reason of allegedly subsidized imports of fresh cut roses from the Netherlands. 1/ In April 1980, the Commission unanimously determined, under section 201 of the Trade Act of 1974, that fresh cut roses were not being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or threat thereof, to the domestic industry. 2/ In June 1981, the Commission instituted an antidumping investigation with respect to fresh cut roses from Colombia. The Commission's investigation was terminated when Commerce dismissed the petition. 3/ In September 1984, the Commission determined 4/ that an industry in the United States was not materially injured or threatened with material injury, and the establishment of an industry in the United States was not materially retarded, by reason of imports from Colombia of fresh cut roses that Commerce had found were being, or were likely to be, sold in the United States at less than fair value. 5/ In 1985, the United States Trade Representative determined not to initiate an investigation, under section 301 of the Trade Act of 1974, into imports of roses from Colombia, Costa Rica, the Dominican Republic, the European Communities, Guatemala, Israel, and Mexico. 6/

### The Product

#### Description and uses

The petitions underlying these investigations state that "the imported merchandise subject to this petition consists of certain fresh cut flowers, as follows: . . . Standard and miniature carnations. . . , Standard and pompon chrysanthemums. . . , Alstroemeria. . . , Gerbera. . . , (and) Gypsophila. . . ." The petitioner urges that these seven flowers be considered "as the product 'like' the imported flowers," noting, among other points, that "there is a high degree of substitutability and competition between the flowers," and that "the subject flowers directly compete with and impact on each other, the price of one flower having a direct impact on sales of one or more of the other flowers." 7/ One industry official stated that there is a rational basis for distinguishing the seven flowers specified in the petition from all other cut flowers; the seven flowers are the most important and most commonly used flowers, particularly in floral arrangements sold through wire services. 8/

Fresh cut flowers are parts of plants, characteristically including the inflorescences and some attached plant material but not including roots and soil. They are highly perishable because they maintain only limited

---

1/ Investigation No. 701-TA-21 (Preliminary).

2/ Investigation No. TA-201-42.

3/ Investigation No. 731-TA-43 (Preliminary).

4/ Commissioner Eckes dissenting and Vice Chairman Liebeler not participating.

5/ Investigation No. 731-TA-148 (Final).

6/ 50 F.R. 40230.

7/ Petitioner's postconference brief, p. 2.

8/ Conversation with \* \* \*. \* \* \*.

life-supporting processes by taking water up through their stems. Fresh cut flowers are used for decorative purposes, such as vase arrangements and bouquets at formal events; designs for weddings and funerals; gifts on occasions such as Mother's Day, Valentine's Day, times of illness, and holidays like Christmas and Easter; corsages and boutonnieres; and informal displays for beautification in the home. There are probably over 200 different types of fresh cut flowers sold in the United States. The flowers specified in the petitions to these investigations (standard and miniature carnations, standard and pompon chrysanthemums, alstroemeria, gerberas and gypsophila) are estimated to account for 42 percent of the value of domestic shipments of fresh cut flowers, with roses, gladiolus, snapdragons, statice, orchids, and scores of other types accounting for the remainder. <sup>1/</sup>

Carnations are members of the Caryophyllaceae or so-called pink family. These relatively inexpensive flowers are divided into two major groups, the standards and the miniatures. Standard carnations produce double, fragrant flowers 2-3 inches across, borne singly on wiry stems which are 18-24 inches long. Miniature carnations are bushier and more branching than standard varieties with flowers produced in sprays. The flowers are up to 1 1/2 inches across, with 1 to 4 flowers borne on a wiry stem 12-18 inches long. Carnations may be white, yellow, pink, red, or multicolored. White carnations are often artificially colored with hues absent in natural cultivars. Carnations last 7-10 days as cut flowers and are used in boutonnieres, wreaths, and hospital, funeral, and home arrangements.

Chrysanthemums are a genus of the Compositae family. They are relatively low-priced flowers. The major groups grown commercially are the standards and the pompoms. Chrysanthemums may be white, yellow, red, bicolored, or tricolored and are also colored artificially. Standard chrysanthemums have one flower per stem (stems range from 18-36 inches), with the diameter of each bloom ranging from 3-8 inches. Pompon chrysanthemums have four to six flowers per stem (stems range from 18-30 inches) with a diameter of 3 to 5 inches. As fresh cut flowers, pompoms last 10-14 days, and standards last 7-12 days, depending on variety and temperature. They are considered good for both formal and informal use and are suitable for almost all design types of work.

Alstroemeria, also called "Peruvian Lilies," are members of the Amaryllidaceae family. They originated in Chile and Brazil and are frequently grown under license from growers in the Netherlands, where they were recently developed. Alstroemeria come in shades of yellow, rose-pink, lilac, white, orange, and red, with showy, lily-like tubular flowers about 2 inches across and spotted on the petals, often with green tips. They have recently become extremely popular for both formal and informal use.

Gypsophila (baby's breath) are an annual and perennial herb and a member of the Caryophyllaceae or so-called pink family. The flowers are numerous, usually occurring in profusely branched clusters (panicles). They are most commonly white, but they also may be pink or red. Gypsophila have small,

---

<sup>1/</sup> This estimate is calculated by comparing the estimated value of the flowers under investigation (table 6) to the value of all cut flowers (table 4).



opposing leaves, and flowers approximately one-quarter inch wide. The sprays are often used in arrangements as background. The base life of gypsophila is 5-7 days, and the dried flowers will last at least 1 year.

Gerberas are native to South Africa and are commonly called the transvaal daisy or African daisy. They are members of the Compositae family. The plant produces large, daisy-like flowers on long, wiry stems (12-18 inches). The colors are intense and include reds, pinks, salmon, orange, yellow, and white. The flower form varies from fluffy and double to single and the flower diameter ranges from 2-5 inches. The base life is 3-8 days. Gerberas are used both for formal and informal arrangements.

### Production process

Fresh cut flowers are produced throughout the year in the United States. They are either grown in fields or protected by a structure of some sort. The structure may form a completely controlled environment like a greenhouse, or just provide shade or protection from the wind, such as an overhead lattice work or a "saran house" (a framework covered with plastic and cloth). Production in a structure is primarily dependent on the environmental conditions of the area and quality considerations. Gypsophila is the only fresh cut flower under investigation that is not generally grown under some form of structure.

Planting schedules are the basic means of production planning for market demand, and propagation takes place through the use of seed, plant cuttings, and/or division. The grower prepares the soil (generally sterilizing it at least once a year), decides on the number of plants required, the ratio of flowers for his projected market, plant spacing, and the kinds of fertilizers and pesticides needed and when to apply them. Wire or plastic mesh is often used to support certain flowers (e.g. chrysanthemums) as they grow thereby encouraging a long straight stem. Supplemental lighting is often used (especially with carnations and chrysanthemums) to control flowering and quality. Flowers are harvested when the proper stem length and inflorescence, required for sale in the wholesale market, are reached. The flower stem is cut at the appropriate length by hand with a sharp knife or pruning shears. Depending on the flower type and the area and method of production, stems and blooms may be harvested from the plant over a period of years or only once. For example, in California and Colorado, 2-year culture is common for standard carnations, with flower harvest beginning about 6 months after planting and continuing for the remaining period. However, in Florida only one stem is generally harvested in February from pompom chrysanthemums that were planted 6 months earlier. Many growers harvest by accumulating an armful of flowers as they move along the aisle, while others employ picking carts and/or conveyor systems. Flowers are then graded into lots by quality. Although stem length is generally graded by machine, all other grading is by human judgement. Some quality factors taken into consideration are freedom from diseases and insects, stem crooks, split calyxes, and faded colors. Each grade is then bunched into units of stems and boxed.

Labor is the principal input in the production of fresh cut flowers, and is estimated to account for 30 to 40 percent of production costs. Operations such as planting, harvesting, grading, and packaging require hand labor. Capital expenditures are also high in fresh cut flower production.

### U.S. tariff treatment

Imports of the fresh cut flowers covered by these investigations are classified and statistically reported in schedule 1, Part 15 of the Tariff Schedules of the United States Annotated (TSUSA), as follows:<sup>1/</sup>

<u>Item</u>	<u>Article</u>	<u>Rates of duty</u>		<u>Col. 2</u>
		<u>Col. 1</u>	<u>Special 1/</u>	
----(percent ad valorem)----				
192.17-----	Minature (spray) carnations	4	Free	40
192.21-----	Other	8	Free	40
192.2110---	Pompom chrysanthemums			
192.2120---	Standard chrysanthemums			
192.2130---	Standard carnations			
192.2192---	Other (including alstroemeria gerberas, and gypsophila)			

<sup>1/</sup> Includes rates of duty applicable under the Generalized System of Preferences (GSP), the Caribbean Basin Economic Recovery Act, and the United States-Israel Free Trade Area Implementation Act of 1985. Imported flowers from Colombia are ineligible for duty-free entry under the GSP due to the competitive need limitations.

### The Nature and Extent of Alleged Sales at Less Than Fair Value and Alleged Subsidies

The petitioner in all of the instant countervailing duty and antidumping investigations is the Floral Trade Council. The allegations of unfair trade made by the petitioner are summarized below.

#### Canada

Alleged subsidies.--The petitioner alleges that producers or exporters of standard and miniature carnations in Canada receive benefits that constitute subsidies within the meaning of the countervailing duty law. The Department of Commerce has reviewed the petitioner's allegations and has initiated an investigation on the following alleged programs:

---

<sup>1/</sup> A table setting forth the rates of duty applicable to each of the countries whose imports are under investigation is presented in app. A.

Federal programs--

Investment Tax Credits  
Farm Improvement Loans  
Program for Export Market Development  
Promotional Projects Program  
Loans under the Enterprise Development Program

Joint Federal-Provincial Programs--

Agricultural and Rural Development Agreements  
General Development Agreements  
Economic and Regional Development Agreements  
Crop Insurance

Provincial Programs--

Ontario Development Corporation  
Ontario Greenhouse Energy Efficiency Incentives  
Provincial Crop Insurance  
Alberta Beginning Farmer Assistance Program  
British Columbia Greenhouse Farm Income Insurance Program  
British Columbia Agricultural Land Development Assistance

Alleged sales at LTFV.--Petitioner alleges that imports from Canada of standard and miniature carnations are being sold in the United States at LTFV. Based on a comparison of estimated U.S. price and on constructed foreign market value, petitioner alleges dumping margins ranging from 0 to 14.8 percent.

Chile

Alleged subsidies.--The petitioner alleges that producers or exporters of standard carnations in Chile receive benefits that constitute subsidies within the meaning of the countervailing duty law. The Department of Commerce has reviewed the petitioner's allegations and has initiated an investigation on the following programs alleged by petitioner and on additional programs that Commerce believes may also provide benefits:

Programs alleged by petitioner--

Export Rebate  
Export Credit  
Corporacion de Fomento Loans and Debt Rescheduling  
Preferential Exchange Rate for Repayment of Foreign Debt  
Deferred Import Duties for Capital Goods

Additional programs being investigated by Commerce--

Stamp and Seal Tax Exemption  
Export Rebate of VAT  
Tax Rebate on Fixed Assets  
Currency Retention Schemes  
Export Credit Limits

Alleged sales at LTFV.--Petitioner alleges that imports of standard carnations from Chile are being sold in the United States at LTFV. Based on a comparison of the estimated U.S. price and the constructed foreign market value, petitioner alleges average dumping margins ranging from 83.1 to 237.5 percent during the most recent annual period.

#### Colombia

The Department of Commerce has initiated a countervailing duty investigation on miniature carnations from Colombia. The Commission is not conducting a companion investigation because (1) Colombia is not a "country under the agreement" pursuant to section 701(b) of the Act, and (2) the fresh cut flowers being investigated are dutiable; therefore, Colombia is not accorded an injury test under section 303 of the Act.

The petitioner alleges that imports of standard and miniature carnations, standard and pompom chrysanthemums, alstroemeria, gerberas, and gypsophila are being sold in the United States at LTFV. Based on comparisons of an estimated U.S. price and constructed foreign market value, petitioner alleges dumping margins ranging from 0 to 210 percent.

#### Costa Rica

The Department of Commerce has initiated a countervailing duty investigation on standard and miniature carnations and pompom chrysanthemums from Costa Rica. The Commission is not conducting a companion investigation because (1) Costa Rica is not a "country under the agreement" pursuant to section 701(b) of the Act, and (2) although the fresh cut flowers being investigated from Costa Rica are duty free under the GSP, there is no "international obligation" that requires an injury determination for such merchandise from Costa Rica under section 303 of the Act.

Petitioner alleges that imports of standard and miniature carnations and pompom chrysanthemums from Costa Rica are being sold in the United States at LTFV. Based on comparisons of an estimated U.S. price and constructed foreign market value, petitioner alleges dumping margins ranging from 0 to 134.8 percent.

#### Ecuador

The Department of Commerce has initiated a countervailing duty investigation on standard and miniature carnations and standard and pompom chrysanthemums from Ecuador. The Commission is not conducting a companion investigation for the same reasons stated previously with respect to Costa Rica.

Petitioner alleges that imports of standard and miniature carnations and standard and pompom chrysanthemums from Ecuador are being sold in the United States at LTFV. Based on comparisons of an estimated U.S. price and constructed foreign market value, petitioner alleges average dumping margins ranging from 0 to 355.9 percent.

Israel

The petitioner alleges that producers or exporters of miniature carnations and gerberas in Israel receive benefits that constitute subsidies within the meaning of the countervailing duty law. The Department of Commerce has reviewed the petitioner's allegations and has initiated an investigation on the following programs alleged by petitioner and on additional programs that Commerce believes may also provide benefits:

## Programs alleged by petitioner--

Encouragement of Capital Investments Law 5719-1959  
 Government-Guaranteed Minimum Price Program  
 Cash Payments to Growers for Greenhouses  
 Cash Payments to Packing Houses  
 Government Funding of Agrexco and Purchase of Agrexco Shares  
 Long-Term Loans to Packing Houses/Exporters  
 Export Insurance Premiums  
 Government Support of the Flower Board  
 Exchange Rate Risk Insurance Scheme  
 Fuel Grants and Low-Cost Credit  
 Research and Development Programs

## Additional programs being investigated by Commerce--

Capital Funds for Agrexco  
 Encouragement of Industry (Taxes) Law 5729-1969  
 Export Credit Fund  
 Other Benefits Referenced in ECIL

No antidumping petition was filed with respect to imports from Israel.

Kenya

Alleged subsidies.--The petitioner alleges a number of practices by the Government of Kenya that purportedly confer benefits on producers or exporters of standard and miniature carnations in Kenya. The Department of Commerce has reviewed petitioner's allegations and has initiated an investigation on the following programs: the Export Compensation Act, Investment Allowances, and Research and Development Support

Alleged sales at LTFV.--Petitioner alleges that imports of standard and miniature carnations from Kenya are being sold in the United States at LTFV. Based on comparisons of an estimated U.S. price and constructed foreign market value, petitioner alleges average dumping margins ranging from 63.5 to 195.4 percent.

Mexico

No countervailing duty petition was filed with respect to imports from Mexico. The petitioner alleges that imports of standard carnations and standard and pompom chrysanthemums from Mexico are being sold in the United States at LTFV. Based on comparisons of an estimated U.S. price and constructed foreign market value, petitioner alleges average dumping margins ranging from 0 to 254.5 percent.

The Netherlands

The petitioner alleges that producers or exporters of miniature carnations, standard chrysanthemums, alstroemeria, and gerberas in the Netherlands receive benefits that constitute subsidies within the meaning of the countervailing duty law. The Department of Commerce has reviewed petitioner's allegations and has initiated an investigation on the following programs:

Natural Gas Provided at Preferential Rates  
 Investment Incentive Regional Program  
 Aids for the Creation of Cooperative Organizations  
 Loans at Preferential Interest Rates  
 Guarantee Fund for Agriculture  
 Funding of Interest on Loans  
 Glasshouse Enterprises  
 Steam Drainage Systems  
 Energy Saving Aids  
 Land Bank Regulation

No antidumping petition was filed with respect to imports from the Netherlands.

Peru

Alleged subsidies.--The petitioner alleges that producers or exporters of miniature carnations, pompon chrysanthemums, and gypsophila in Peru receive benefits that constitute subsidies within the meaning of the countervailing duty law. The Department of Commerce has reviewed petitioner's allegations and has initiated an investigation on the following programs:

The Certificate of Tax Rebate  
 The Law for the Promotion of Export of Non Traditional Goods  
 Employment Benefits for Decentralized Companies  
 Regional Incentives  
 Argo-Industrial Rediscount Fund

Alleged sales at LTFV.--Petitioner alleges that imports of miniature carnations, pompon chrysanthemums, and gypsophila from Peru are being sold in the United States at LTFV. Based on comparisons of an estimated U.S. price and constructed foreign market value, petitioner alleges average dumping margins ranging from 0 to 62.1 percent.

## The U.S. Market

Market factors

Fresh cut flowers--including carnations, chrysanthemums, alstroemeria, gerberas, and gypsophila--tend to be most actively traded around traditional

holidays, particularly Christmas, Valentine's Day, and Mother's Day. Trading is least active during the summer months. 1/

Although holidays are florists' "bread and butter," there has been a trend in recent years toward stronger demand for flowers during off-holiday periods. In November 1984, one commentator noted that consumers were making flowers "a part of their everyday lives." This trend was reportedly prompted by, in part, customers' increased interest in and awareness of flowers. "One thing imports have done, especially those coming from Holland," a retail florist reported, "has been to broaden everyone's perspective." 2/ The strength of off-holiday purchases varies, according to one \* \* \* grower that \* \* \*. This grower had been building up a good off-holiday trade until the recession began, when customers retrenched and again bought only for the holidays. Currently, the firm is seeing a slow resumption of off-holiday purchases. 3/ A grower-shipper, \* \* \*, claims to have a large year-round demand. 4/

The flower trade is subject to the whim of fashion and, to a certain extent, the level of off-holiday purchases and the types of flowers purchased can be attributed to consumers' changing tastes. The petitioner noted that "sophisticated" east coast consumers are especially likely to be found making everyday purchases of flowers. 5/ A Pennsylvania retailer wrote that consumers are increasingly likely to buy flowers for themselves because of their growing desire to "enhance the quality of their environment and improve their own lifestyles." 6/ The flower trade is also strongly influenced by the marketing abilities of retailers. A 1985 survey by the Society of American Florists showed, among other things, that traditional flower buying occasions are nowhere near their sales potential, that consumers are ready to buy flowers for themselves, and that consumers don't buy more because floral products don't come to mind. From this and similar findings, the Society concluded that techniques for increasing consumers' awareness and understanding of floral products would increase demand. 7/

Increasing demand for fresh flowers has attracted supermarkets and other mass merchandisers to the marketplace. These outlets reportedly buy in bulk directly from growers, bypassing the wholesalers that service smaller florists. Imports have helped to increase mass-market retail sales by 6 percent since 1980 by providing a year-round, low-cost source of supply. 8/

---

1/ U.S. Department of Agriculture (USDA), Marketing California Ornamental Crops, 1984, p. 6.

2/ "New Trends in the Floral Industry," SAF Business News for the Floral Industry, November 1984, p. 23.

3/ Conversation with \* \* \*, June 11, 1986.

4/ Conversation with \* \* \*, June 10, 1986. \* \* \*.

5/ Antidumping petition, p. 118.

6/ "New Trends in the Floral Industry," SAF Business News for the Floral Industry, November 1984, p. 20.

7/ "The U.S. Floral Consumer: A Research Survey," SAF Business News for the Floral Industry, September 1985, p. 40.

8/ The New York Times, June 15, 1986, p. 10F, col. 1.

Price and quality are, of course, key factors affecting demand for fresh cut flowers. A comparison of the prices of U.S.-produced and imported flowers can be found in the section of this report entitled "Prices." With respect to quality, both U.S. producers and importers face similar difficulties protecting their highly perishable product from the ravages of time and heat. One \* \* \* grower reported that there are quality problems with some imports. As a result of competition with lower priced imports, this grower \* \* \*. Recently, \* \* \* the customers were dissatisfied with the quality of imported products. 1/ Two growers, however, stated that imports are of good quality. 2/ One of these offered an explanation as to why imports from \* \* \* are of better quality than flowers grown in \* \* \*: \* \* \*. 3/

#### Apparent U.S. consumption

Apparent U.S. consumption of the seven fresh cut flowers specified in the petitions for these investigations generally increased from 1984 to 1985 (table 1). 4/ During January-March 1986, consumption of the seven flowers was up by 5 percent over that during the corresponding period of 1985.

Consumption of both types of carnations increased. Sales of standard carnations were up by 11 percent during 1984-85 and by 4 percent during January-March 1986 compared with January-March 1985. Sales of miniature carnations were up by 28 percent during 1984-85 and by 31 percent during January-March 1986 compared with January-March 1985.

Consumption of both types of chrysanthemums increased from 1984 to 1985, and then declined during January-March 1986 compared with January-March 1985. The increase for standard chrysanthemums was only 1 percent during 1984-85, and then shipments declined by 34 percent during January-March 1986 compared with January-March 1985. The increase for pompom chrysanthemums was stronger--14 percent--during 1984-85, and the January-March 1985-to-January-March 1986 decline was weaker--only 2 percent.

Comparative data on consumption of alstroemeria, gerberas, and gypsophila are available only for January-March 1985 and January-March 1986. Over these periods, consumption of alstroemeria increased (by \*\*\* percent), consumption of gerberas declined (by \*\*\* percent), and consumption of gypsophila increased (by 39 percent).

---

1/ Conversation with \* \* \*, June 9, 1986.

2/ Conversations with \* \* \*, June 10, 1986, and \* \* \*, June 12, 1986.

3/ Conversation with \* \* \*, June 12, 1986.

4/ Apparent U.S. consumption is derived by adding the quantity of imports to the quantity of U.S. producers' shipments. Data on imports are compiled from statistics published by the USDA. Data on U.S. producers' shipments are compiled from USDA statistics and from estimates based on data submitted by the petitioner and data submitted in response to Commission questionnaires. For a complete explanation of the method used for estimating U.S. producers' shipments, see the section entitled "U.S. producers' shipments." For further information on available data describing the U.S. industry, see app. D, "Sources of information on the U.S. industry."



Table 1.--Certain fresh cut flowers: Apparent U.S. consumption, 1983-85, January-March 1985, and January-March 1986

Item	1983	1984	1985	(In thousands of stems)	
				January-March 1985	1986
<b>Standard carnations:</b>					
Imports:					
Alleged unfair imports.....	554,117	596,782	701,336	187,925	199,175
Other imports....	16,156	19,009	17,164	2,521	2,510
Total.....	570,273	615,791	718,500	190,446	201,685
U.S. producers' shipments 1/.....	2/	292,593	288,170	68,583	67,846
Apparent U.S. consumption.....	2/	908,384	1,006,670	259,029	269,531
<b>Miniature carnations:</b>					
Imports:					
Alleged unfair imports.....	51,450	51,594	78,506	20,412	37,884
Other imports....	3,230	2,700	6,939	558	790
Total.....	54,680	54,294	85,445	20,970	38,674
U.S. producers' shipments 1/.....	2/	101,030	114,130	23,390	19,450
Apparent U.S. consumption.....	2/	155,324	199,575	44,360	58,124
<b>Standard chrysanthemums:</b>					
Imports:					
Alleged unfair imports.....	26,276	29,645	38,584	7,255	4,779
Other imports....	919	1,148	1,900	897	451
Total.....	27,195	30,793	40,484	8,152	5,230
U.S. producers' shipments 1/.....	2/	67,113	58,732	15,744	10,527
Apparent U.S. consumption.....	2/	97,906	99,216	23,896	15,757
<b>Pompon chrysanthemums:</b>					
Imports:					
Alleged unfair imports.....	363,102	344,928	405,096	100,032	102,534
Other imports....	5,338	4,959	6,697	1,495	1,552
Total.....	368,440	349,887	411,793	101,527	104,086
U.S. producers' shipments 1/.....	2/	199,938	217,608	53,766	48,012
Apparent U.S. consumption.....	2/	549,825	629,401	155,293	152,098
<b>Alstroemeria:</b>					
Imports:					
Alleged unfair imports.....	2/	2/	31,542	4,757	9,709
Other imports....	2/	2/	1,589	402	356
Total.....	2/	2/	33,131	5,159	10,065

See footnotes at end of table.

Table 1.--Certain fresh cut flowers: Apparent U.S. consumption, 1983-85, January-March 1985, and January-March 1986--Continued

(In thousands of stems)

Item	1983	1984	1985	January-March--	
				1985	1986
<b>Alstroemeria--Continued</b>					
U.S. producers' shipments 1/.....	2/	21,112	32,690	***	***
Apparent U.S. consumption.....	2/	2/	65,821	***	***
<b>Gerberas:</b>					
Imports:					
Alleged unfair imports.....	2/	2/	18,332	3,701	3,261
Other imports....	2/	2/	708	87	213
Total.....	2/	2/	19,040	3,788	3,474
U.S. producers' shipments 1/.....	2/	13,852	14,839	***	***
Apparent U.S. consumption.....	2/	2/	33,879	***	***
<b>Gypsophila:</b>					
Imports:					
Alleged unfair imports.....	19,507	25,406	56,666	9,454	22,214
Other imports....	1,511	2,371	3,825	775	1,356
Total.....	20,668	27,777	60,491	10,229	23,570
U.S. producers' shipments 1/.....	2/	32,306	32,497	11,957	7,301
Apparent U.S. consumption.....	2/	60,083	92,988	22,186	30,871
<b>Total: 3/</b>					
Imports:					
Alleged unfair imports.....	1,014,102	1,048,355	1,330,062	333,536	379,556
Other imports....	27,154	30,187	38,822	6,735	7,228
Total.....	1,041,256	1,078,542	1,368,884	340,271	386,784
U.S. producers' shipments 1/.....	2/	727,944	758,666	175,273	155,207
Apparent U.S. consumption.....	2/	1,806,486	2,127,550	515,544	541,991

1/ For a complete explanation of the method used for estimating U.S. producers' shipments, see the section entitled "U.S. producers' shipments." U.S. producers' shipments include exports, and therefore are slightly overstated as a share of apparent U.S. consumption. Exports are estimated to have been less than 0.5 percent of U.S. producers' shipments during each of the specified periods.

2/ Not available.

3/ 1983 and 1984 totals do not include alstroemeria or gerberas.

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

The value of apparent U.S. consumption of all fresh cut flowers (including the seven specified flowers, as well as all others) is estimated to have increased from 1984 to 1985. This reflects an increase in the value of both U.S. producers' shipments and imports, as shown in the following tabulation (in thousands of dollars):

	<u>1984</u>	<u>1985</u>
U.S. producers'		
shipments-----	408,320	463,856
Imports-----	<u>214,200</u>	<u>220,870</u>
Apparent U.S.		
consumption----	622,520	<del>684,726</del>

#### The U.S. Industry

##### U.S. producers

There are approximately 500 to 600 commercial growers of the fresh cut flowers covered by these investigations. There are many hundreds more growers that produce cut flowers for small retail outlets, or for uses other than commercial distribution. The petitioner, the Floral Trade Council, consists of 260 members. <sup>1/</sup>

The number of U.S. growers of cut flowers has generally declined since 1981. The U.S. Department of Agriculture publishes data describing the number of growers producing certain specified flowers. Pertinent data are shown in the following tabulation: <sup>2/</sup>

<u>Type of flower</u>	<u>1981</u>	<u>1984</u>	<u>1985</u>
Standard carnations-----	331	239	229
Miniature carnations-----	177	171	171
Standard chrysanthemums--	724	552	<sup>1/</sup> 447
Pompon chrysanthemums----	894	673	580

<sup>1/</sup> This figure was derived by using 1985 data for each State that reported in both 1984 and 1985.

---

<sup>1/</sup> Meeting between members of and counsel for the Floral Trade Council, and Commission staff, May 23, 1986.

<sup>2/</sup> If a firm grows more than one type of flower, these data count that firm under each of the flowers grown; therefore the statistics cannot be aggregated. Data are not available for alstroemeria, gerberas, or gypsophila. Floriculture Crops, March 1986, pp. 28, 82-83; March 1985, pp. 13-15.

The petitioner states that growers which ceased production of standard carnations and chrysanthemums turned to miniature carnations and pompom chrysanthemums. 1/ These data do not indicate that such a shift took place; rather, these data suggest that more growers dropped out of producing the listed flowers than shifted production.

Certain growers also reported that their industry has shrunk. A \* \* \* grower \* \* \* stated that most of the rest of the area's growers have quit as well, owing to competition from Colombian imports. 2/ A \* \* \* grower stated that 30 years ago the region was \* \* \*, but that there are now practically no commercial \* \* \* growers left. 3/

Growers tend to be small, family-owned firms. 4/ Using information from Commission questionnaires and the petitioner's questionnaires, certain firms stand out as being the largest producers of the seven flowers specified in the petition for these investigations. 5/

Standard and miniature carnations. 6/--The largest producer of \* \* \* carnations in 1985 was \* \* \*, a firm with \* \* \*. \* \* \*. Another large producer of \* \* \* carnations also accounted for \*\*\* percent of U.S. shipments: \* \* \*. The next largest grower of \* \* \* carnations was \* \* \*, accounting for \*\*\* percent of U.S. shipments.

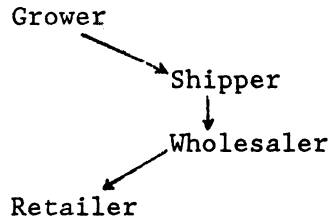
Standard and pompom chrysanthemums. 7/--The largest grower of standard chrysanthemums in 1985 was \* \* \*. \* \* \* accounted for \*\*\* percent of U.S. shipments of standard chrysanthemums. The largest producer of pompom chrysanthemums in 1985 was \* \* \*. \* \* \* accounted for \*\*\* percent of U.S. shipments.

Alstroemeria, gerberas, and gypsophila. --The largest producer of alstroemeria in 1985 was \* \* \*, with \*\*\* million stems sold (\*\*\* percent of estimated U.S. shipments). The largest grower of gerberas during the year was \* \* \*, with sales of \*\*\* million stems (\*\*\* percent of estimated U.S. shipments). The largest producer of gypsophila in 1985 was \* \* \*, with \*\*\* bunches sold (\*\*\* percent of estimated U.S. shipments).

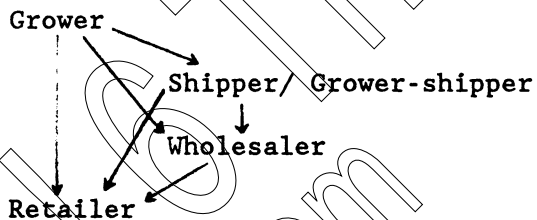
#### Channels of distribution

U.S. production.--One U.S. grower described the "normal" channels for distributing fresh cut flowers as follows:

- 
- 1/ Transcript of the conference, pp. 29-32.
  - 2/ Conversation with \* \* \*, June 12, 1986.
  - 3/ Conversation with \* \* \*, June 10, 1986.
  - 4/ Transcript of the conference, pp. 75-76.
  - 5/ Neither Commission questionnaires nor the petitioner's questionnaires gathered information on the entire industry, therefore certain large growers may not be included in the surveys.
  - 6/ Data for U.S. shipments are from Floriculture Crops, March 1986.
  - 7/ Ibid.



The same grower said, however, that this pattern is rarely followed exactly. In fact, many growers sell to various levels of the trade, and many growers are themselves shippers, 1/ buying cut flowers from other U.S. or foreign sources and reselling them. Thus, a more complete diagram of flower distribution is closer to the following:



There are other variations on the shipper/wholesaler theme described in the diagram above. For example, the "shipper" function may be performed by a consortium of growers rather than by a single firm. Methods of sale to shippers vary: some shippers sell a grower's products on consignment, and others buy the grower's products outright (at which point they seem to be undifferentiated from a wholesaler). There are also brokers that arrange transportation of flowers from growers to customers. Unlike shippers and wholesalers, brokers do not take possession of the flowers. U.S. producers reportedly use shippers more often than brokers.

To convey a sense of the variety of distribution techniques that characterizes the marketplace for cut flowers, the practices of a selection of growers are described as follows: 2/

\* \* \* \* \*

Imports -- Importers occupy a position in the distribution chain similar to that of shippers. They normally import from foreign growers and resell to wholesalers.

1/ One grower described a "shipper" as being a "middleman" that is closer to the grower than is a wholesaler. (Conversation with \* \* \*, June 10, 1986). Another grower stated that the term "shipper" is synonymous with the term "wholesaler." (Conversation with \* \* \*, June 11, 1986). The term "shipper" reportedly does not imply any propensity by such a firm to perform the shipping of flowers. Rather, flowers are purchased f.o.b. the grower's door and shipped by common carrier, paid for by the purchaser. (Conversation with \* \* \*, June 10, 1986).

2/ Information is based on conversations with officials of the listed firms during June 9-12, 1986.

Consideration of Material Injury  
to an Industry in the United States 1/

U.S. area in production

USDA information.--A description of the area used for production of carnations and chrysanthemums is available from USDA statistics (table 2). These data reflect the area used for growing crops both in enclosed spaces, such as greenhouses, and outdoors. 2/ A grower will usually increase or decrease the area devoted to a certain crop as production of that crop increases or decreases. Therefore, information on the area in production reflects general production trends. 3/

The area in production of standard carnations declined from 1981 to 1984 and then increased, by 9 percent, from 1984 to 1985. Projections for 1986 show a decline of 7 percent.

The area in production of miniature carnations increased from 1981 to 1984 and then declined, by 14 percent, from 1984 to 1985. Projections for 1986 show an increase of 2 percent.

The area in production of standard chrysanthemums declined from 1981 to 1984 and then fell again, by 18 percent, from 1984 to 1985. Projections for 1986 show an increase of 12 percent.

The total area in production of all cut flowers is expected to remain steady from 1985 to 1986, with an increase of less than 0.5 percent projected during the period. The situation is similar if the area devoted to production of roses is subtracted from that for all cut flowers.

---

1/ There are three principal sources of statistical information on the U.S. industry producing certain fresh cut flowers: USDA statistics, data submitted in response to Commission questionnaires, and data submitted by the petitioner. When USDA statistics are available for some--but not all--of the flowers specified in the petitions, estimates are made for the missing flowers. These estimates are generally based on data submitted by the petitioner; such data are used rather than that from Commission questionnaires because the petitioners' data are for firms accounting for 33 percent of 1985 shipments, whereas Commission questionnaires were received from firms accounting for 9 percent of 1985 shipments. Selected estimates are also made based on data from Commission questionnaires, and are provided for purposes of comparison. When published data are not available on the U.S. industry, the petitioners' data are used, with supplemental analysis based on Commission questionnaires, where available. For further information on available data describing the U.S. industry, see app. D, "Sources of information on the U.S. industry."

2/ The data show the "gross" area, including walkways and aisles, and are counted for each filling if refilled several times with the same crop or a different crop.

3/ Conversation with Mr. Ray Hasek, Floral Trade Council, June 17, 1986.

Table 2.--Certain fresh cut flowers: Area in production, 1981, 1984-85, and intended 1986

(In thousands of square feet, except as noted)

Item	1981	1984	1985	Intended 1986
Standard carnations.....	20,249	15,471	16,938	15,722
Miniature carnations.....	4,323	6,855	5,925	6,018
Standard chrysanthemums....	14,561	11,101	9,104	10,210
Pompom chrysanthemums.....	30,480	22,850	29,212	29,067
Subtotal.....	69,613	56,277	61,179	61,017
All cut flowers except roses.....	<u>1/</u>	<u>1/</u>	6,513,026	6,526,219
All cut flowers.....	<u>1/</u>	<u>1/</u>	<u>2/</u> 6,544,309	6,566,814
Carnations and chrysanthemums as a share of all cut flowers.....percent..	<u>1/</u>	<u>1/</u>	<u>3/</u> 1.0	<u>3/</u> 1.0

1/ Not available.

2/ Roses require a relatively small growing area.

3/ The figures for carnations and chrysanthemums that are used to compare year-to-year trends are slightly less than those used to compare carnations and chrysanthemums to "all cut flowers."

Source: Compiled from U.S. Department of Agriculture, Floriculture Crops, March 1985 and March 1986.

Commission and petitioner's information.--Statistics on the area in production of alstroemeria, gerberas, and gypsophila are not available from USDA. Both Commission questionnaires and the petitioner's data provide statistics on the area in production of these flowers, as presented in the following tabulation (in thousands of square feet): 1/

Item	1983	1984	1985	January-March--	
				1985	1986
Commission questionnaires:					
Alstroemeria-----	***	***	***	***	***
Gerberas-----	***	***	***	***	***
Gypsophila-----	***	***	***	***	***
Petitioner's data:					
Alstroemeria-----	346	550	630	<u>1/</u>	<u>1/</u>
Gerberas-----	400	465	516	<u>1/</u>	<u>1/</u>
Gypsophila-----	9,648	12,363	14,590	<u>1/</u>	<u>1/</u>

1/ Not available.

1/ Commission questionnaire data on the area in production of carnations and chrysanthemums in 1985 accounted for 9 percent of corresponding USDA statistics. The petitioner's corresponding data accounted for 30 percent of USDA statistics. Complete information on area in production from Commission questionnaires and the petitioner's statistics is presented in app. E<sup>A-19</sup>

Commission questionnaire data differ from the petitioner's data in that (1) they show a lower share of area in production devoted to alstroemeria, (2) they show no increase in area in production of gerberas in 1984, and a decline in 1985, and (3) they show a higher rate of increase in area devoted to production of gypsophila in 1985. The petitioner's data are based on a low share of the total area in production, and Commission data are based on an even lower share. Thus, these data are inconsistent but not necessarily contradictory.

Comparative information.--Information on total area in production for the seven flowers specified in the petition for these investigations is presented in table 3. 1/ The petitioner's data are used to estimate the area in production for alstroemeria, gerberas, and gypsophila. 2/ The area in production for alstroemeria, gerberas, and gypsophila increased from 1984 to

Table 3.--Certain fresh cut flowers: Area in production, 1983-85

(In thousands of square feet)

Item	1983	1984	1985
Standard carnations.....	1/	15,471	16,938
Miniature carnations.....	1/	6,855	5,925
Standard chrysanthemums..	1/	11,101	9,104
Pompom chrysanthemums...	1/	22,580	29,212
Alstroemeria.....	1/	1,690	2,067
Gerberas.....	1/	1,429	1,693
Gypsophila.....	1/	37,988	47,871
Total.....	1/	97,114	112,810

1/ Not available.

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

1/ Data for carnations and chrysanthemums are from USDA statistics. Data for alstroemeria, gerberas, and gypsophila are estimated as described in app. D, "Sources of information on the U.S. industry."

2/ The petitioner's data are used because, for carnations and chrysanthemums, they represent a larger share of corresponding USDA data than do data from Commission questionnaires. If data from Commission questionnaires are used for estimating purposes, part of the information in table 3 changes, as shown in the following tabulation (in thousands of square feet):

	1984	1985
Alstroemeria-----	***	***
Gerberas-----	***	***
Gypsophila-----	***	***
Total-----	90,635	114,723



1985. The aggregate area in production for the seven specified flowers also increased from 1984 to 1985, by 16 percent.

#### U.S. producers' shipments

USDA information.--A description of U.S. producers' shipments of carnations and chrysanthemums is available from USDA statistics (table 4). These data reflect all sales, at retail or wholesale, including domestic shipments and exports. <sup>1/</sup>

Shipments of standard carnations declined from 1981 to 1984 and declined again, by 2 percent, from 1984 to 1985. Shipments of these flowers also fell, by 1 percent, between January-March 1985 and the corresponding period of 1986. The value of shipments of standard carnations declined from 1981 to 1984, and then increased, by 20 percent, from 1984 to 1985. Unit values, on a per-stem basis, increased steadily during 1981-84 and 1984-85.

Shipments of miniature carnations increased markedly from 1981 to 1984 and increased again, by 13 percent, from 1984 to 1985. Shipments were down by 17 percent, however, between January-March 1985 and the corresponding period of 1986. The value of shipments of miniature carnations increased during 1981-84, and rose again, by 27 percent, during 1984-85. Unit values, on a per-bunch basis, fell from 1981 to 1984, and then climbed above their 1981 level in 1985.

Shipments of standard chrysanthemums fell from 1981 to 1984 and dropped again, by 12 percent, from 1984 to 1985. Shipments also decreased, by 33 percent, between January-March 1985 and the corresponding period of 1986. The value of shipments of standard chrysanthemums remained steady during 1981-84 and then increased by 23 percent during 1984-85. Unit values, on a per-stem basis, increased steadily during 1981-84 and 1984-85.

Shipments of pompom chrysanthemums fell from 1981 to 1984 and then, from 1984 to 1985, increased by 9 percent to approximately the 1981 level. Shipments declined by 11 percent between January-March 1985 and the corresponding period of 1986. The value of shipments of pompom chrysanthemums declined during 1981-84 and then increased by 12 percent during 1984-85. Unit values, on a per-bunch basis, increased during 1981-84 and 1984-85.

Limited data on the quantity of gypsophila shipments show a decline in shipments of 39 percent between January-March 1985 and January-March 1986. Limited data on the value of all cut flowers place the total value of shipments at \$374 million in 1985, 37 percent of which is accounted for by carnations and chrysanthemums.

Commission and petitioner's information.--Statistics on U.S. shipments of alstroemeria, gerberas, and gypsophila are not available from USDA. Both

---

<sup>1/</sup> Flowers purchased from others for immediate resale are excluded. Data on the value of shipments are on a "gross wholesale" basis, before deductions for sales commissions or transportation costs (however, growers report that transportation costs are paid by purchasers, so such costs would not normally appear in these data).

Table 4.--Certain fresh cut flowers: U.S. producers' shipments (USDA statistics), 1981, 1984-85, January-March 1985, and January-March 1986

Item	1981	1984	1985	January-March--	
				1985 1/	1986 1/
				Quantity	
Standard carnations 1,000 stems..	345,747	292,593	288,170	68,583	67,846
Miniature carnations 1,000 bunches..	5,989	10,103	11,413	2,339	1,945
Standard chrysanthemums 1,000 stems..	86,562	67,113	58,732	15,744	10,527
Pompom chrysanthemums 1,000 bunches..	36,735	33,323	36,268	8,961	8,002
Gypsophila.....do....	2/	2/	1/ 2,390	1,533	936
				Value (1,000 dollars, except as noted)	
Standard carnations.....	40,936	37,934	45,505	2/	2/
Miniature carnations.....	9,605	14,796	18,780	2/	2/
Standard chrysanthemums....	22,698	22,335	27,540	2/	2/
Pompom chrysanthemums.....	40,021	38,846	43,345	2/	2/
Gypsophila.....	2/	2/	2/	2/	2/
All cut flowers except roses.....	2/	2/	222,519	2/	2/
All cut flowers.....	2/	2/	373,840	2/	2/
Carnations and chrysanthe- mums as a share of all cut flowers...percent....	2/	2/	3/ 37.2	2/	2/
				Unit value	
Standard carnations per stem..	\$0.12	\$0.13	\$0.16	2/	2/
Miniature carnations per bunch..	1.60	1.46	1.65	2/	2/
Standard chrysanthemums per stem..	.26	.33	.47	2/	2/
Pompom chrysanthemums per bunch..	1.09	1.17	1.20	2/	2/
Gypsophila.....do....	2/	2/	2/	2/	2/

1/ Data for carnations and chrysanthemums are estimated by using shipments from California and Florida during the period indicated (as reported by USDA, Ornamental Crops) and multiplying them by the ratio of California and Florida 1985 shipments to U.S. 1985 shipments (as reported by USDA, Floriculture Crops). Data for gypsophila are estimated by using shipments from Florida (as reported by USDA, Ornamental Crops) and multiplying them by the ratio of California and Florida 1985 shipments of carnations and chrysanthemums to comparable U.S. shipments (as reported by USDA, Floriculture Crops).

2/ Not available.

3/ The figures for carnations and chrysanthemums that are used to compare year-to-year trends are slightly less than those used to compare carnations and chrysanthemums to "all cut flowers."

Source: Compiled from U.S. Department of Agriculture, Floriculture Crops, March 1985 and March 1986, and Ornamental Crops, 1986.

Commission questionnaires and the petitioner's data provide statistics on U.S. shipments of these flowers, as presented in table 5.

Table 5.--Certain fresh cut flowers: U.S. producers' shipments (questionnaire data), 1983-85, January-March 1985, and January-March 1986

Item	1983	1984	1985	January-March--	
				1985	1986
<b>Quantity</b>					
<b>Commission questionnaires:</b>					
Alstroemeria					
1,000 stems..	***	***	931	106	139
Gerberas.....do....	***	***	***	***	***
Gypsophila					
1,000 bunches..	***	***	***	***	***
<b>Petitioner's data:</b>					
Alstroemeria					
1,000 stems..	3,729	7,075	10,828	<u>1/</u>	<u>1/</u>
Gerberas.....do....	3,277	4,642	4,915	<u>1/</u>	<u>1/</u>
Gypsophila					
1,000 bunches..	1,274	1,388	1,380	<u>1/</u>	<u>1/</u>
<b>Value (1,000 dollars)</b>					
<b>Commission questionnaires:</b>					
Alstroemeria.....	***	***	164	31	37
Gerberas.....	***	***	***	***	***
Gypsophila.....	***	***	***	***	***
Other cut flowers.....	8,238	8,967	8,582	1,341	1,550
<b>Petitioner's data:</b>					
Alstroemeria.....	966	1,555	2,048	<u>1/</u>	<u>1/</u>
Gerberas.....	769	1,013	1,166	<u>1/</u>	<u>1/</u>
Gypsophila.....	2,614	2,832	2,547	<u>1/</u>	<u>1/</u>
Other cut flowers..	13,451	15,041	15,601	<u>1/</u>	<u>1/</u>
<b>Unit value</b>					
<b>Commission questionnaires:</b>					
Alstroemeria...per stem..	.26	.22	.18	.29	.27
Gerberas.....do....	.15	.09	.23	.23	.23
Gypsophila...per bunch..	2.40	2.16	1.78	2.84	3.49
<b>Petitioner's data:</b>					
Alstroemeria...per stem..	.26	.22	.19	<u>1/</u>	<u>1/</u>
Gerberas.....do....	.23	.22	.24	<u>1/</u>	<u>1/</u>
Gypsophila...per bunch..	2.05	2.04	1.85	<u>1/</u>	<u>1/</u>

1/ Not available.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission and data submitted by the petitioner.

Information on the quantity of shipments in Commission questionnaires and petitioner's data show increasing shipments of alstroemeria during 1983-85. Commission questionnaires also show an increase between January-March 1985 and the corresponding period of 1986. Shipments of gerberas increased from 1983 to 1984, according to both sources of data; however Commission questionnaires show shipments declining in 1985 while the petitioner's data describe an increase. Both data sources also show an increase in gypsophila shipments from 1983 to 1984. Commission questionnaires, however, present an increase in 1985 while the petitioner's data show shipments holding steady during 1984-85. Data on value of shipments generally follow fluctuations in respective quantity figures, with a few minor exceptions and one major one. The major exception is data for gerberas in Commission questionnaires, which show unusual fluctuations in value and unit value. These fluctuations may be due to the incomplete coverage of such data. 1/

Comparative information.--Table 6 presents information on U.S. shipments for each of the seven flowers specified in the petition for these investigations, and for the aggregate of the seven flowers. These data are derived from USDA statistics, Commission questionnaires, and the petitioner's data. For purposes of comparison, data for miniature carnations, pompom chrysanthemums, and gypsophila that are reported in quantities of bunches are converted to quantities of stems. 2/

The total quantity of U.S. shipments of carnations, chrysanthemums, alstroemeria, gerberas, and gypsophila increased by 4 percent from 1984 to

---

1/ Commission questionnaire data on U.S. shipments of carnations and chrysanthemums in 1985, using data in terms of stems, accounted for 9 percent of corresponding USDA statistics. The petitioner's corresponding data accounted for 33 percent of USDA statistics. Complete information on U.S. shipments from Commission questionnaires and the petitioner's statistics is presented in app. E.

2/ Data for carnations and chrysanthemums are from USDA statistics. Data for alstroemeria, gerberas, and gypsophila are estimated as described in app. D, "Sources of information on the U.S. industry."

The petitioner's data are used to estimate U.S. shipments of alstroemeria, gerberas, and gypsophila in 1984 and 1985. The petitioner's data are used because, for carnations and chrysanthemums, they represent a larger share of corresponding USDA data than do data from Commission questionnaires. In addition, the factors used to convert quantities in bunches to stems are based on the petitioner's data.

Data from Commission questionnaires are used to estimate U.S. shipments of alstroemeria and gerberas in January-March 1985 and January-March 1986; data for gypsophila for the partial years are estimated by using shipments from Florida (as reported by USDA, Ornamental Crops) and multiplying them by the ratio of California and Florida 1985 shipments of carnations and chrysanthemums to comparable U.S. shipments (as reported by USDA, Floriculture Crops). These are the only available data for the partial years.

A table presenting the same information as table 6, but based on data from Commission questionnaires, is presented in app. E. It uses Commission questionnaires to estimate U.S. shipments of alstroemeria, gerberas, and gypsophila in 1984 and 1985, and to convert quantities in bunches to stems.

Table 6.--Certain fresh cut flowers: U.S. producers' shipments (USDA and questionnaire data), 1983-85, January-March 1985, and January-March 1986

Item	1983	1984	1985	January-March--	
				1985	1986
				Quantity (1,000 stems) 1/	
Standard carnations 2/.....	3/	292,593	288,170	68,583	67,846
Miniature carnations 2/.....	3/	101,030	114,130	23,390	19,450
Standard chrysanthemums 2/..	3/	67,113	58,732	15,744	10,527
Pompom chrysanthemums 2/....	3/	199,938	217,608	53,766	48,012
Alstroemeria 4/.....	3/	21,112	32,690	***	***
Gerberas 4/.....	3/	13,852	14,839	***	***
Gypsophila 4/.....	3/	32,306	32,497	11,957	7,301
Total.....	3/	727,944	758,666	175,273	155,207
				Value (1,000 dollars)	
Standard carnations.....	3/	37,934	45,505	3/	3/
Miniature carnations.....	3/	14,796	18,780	3/	3/
Standard chrysanthemums.....	3/	22,335	27,540	3/	3/
Pompom chrysanthemums.....	3/	38,846	43,345	3/	3/
Alstroemeria.....	3/	4,649	7,424	3/	3/
Gerberas.....	3/	3,028	4,227	3/	3/
Gypsophila.....	3/	8,467	9,233	3/	3/
Total.....	3/	130,055	156,054	3/	3/
				Unit value (per stem)	
Standard carnations.....	3/	\$0.13	\$0.16	3/	3/
Miniature carnations.....	3/	.15	.16	3/	3/
Standard chrysanthemums.....	3/	.33	.47	3/	3/
Pompom chrysanthemums.....	3/	.19	.20	3/	3/
Alstroemeria.....	3/	.22	.23	3/	3/
Gerberas.....	3/	.22	.28	3/	3/
Gypsophila.....	3/	.26	.28	3/	3/
Average.....	3/	.18	.21	3/	3/

1/ Quantities in bunches of miniature carnations, pompom chrysanthemums, and gypsophila are converted to stems using the petitioner's conversion factors.

2/ Data for shipments of carnations and chrysanthemums during January-June 1985 and January-June 1986 are estimated by using shipments from California and Florida during the period indicated (as reported by USDA, Ornamental Crops) and multiplying them by the ratio of California and Florida 1985 shipments to U.S. 1985 shipments (as reported by USDA, Floriculture Crops).

3/ Not available.

4/ Data for alstroemeria, gerberas, and gypsophila are estimated using the petitioner's data for 1983-85, but using data from Commission questionnaires (for alstroemeria and gerberas) and USDA statistics (for gypsophila) for the partial years. Therefore, data for the partial years are not comparable to that for the full years. For further information on available data describing the U.S. industry, see app. D, "Sources of information on the U.S. industry."

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

1985. During January-March 1986, shipments declined by 13 percent compared with the corresponding period of 1985. The total value of shipments of the seven flowers increased by 20 percent from 1984 to 1985, and the average unit value also increased, from 18 to 21 cents per stem.

#### U.S. employment and wages

According to data provided to the Commission by the petitioner, the period 1983-85 saw employment decline for production and related workers producing standard carnations (down by 3 percent over the period), standard chrysanthemums (8 percent), and pompom chrysanthemums (9 percent) (table 7). employment by growers of miniature carnations held steady over the period, while that for alstroemeria, gerberas, and gypsophila increased by 94 percent, 30 percent, and 5 percent, respectively. (The high percentage figures for alstroemeria and gerberas reflect large increases in small numbers of employees). For the aggregate of the seven flowers, employment fell by less than 1 percent over the period.

The number of hours worked by production and related workers, for each of the seven flowers, generally followed employment trends. For the aggregate of the seven flowers, hours worked increased by 1 percent over the period. Hourly wages increased over the period; for the aggregate of the seven flowers, wages increased by 10 percent over the period.

#### Financial experience of U.S. growers

The petitioner submitted income-and-loss data of 79 U.S. growers on their operations producing the 7 fresh cut flowers specified in the petitions for these investigations, and on operations producing all fresh cut flowers and other greenhouse products. The Commission staff analyzed each grower's data, made certain adjustments to the data on the basis of information received in Commission questionnaires and in discussions with growers and with counsel for the petitioner, and compiled the information presented in this section. <sup>1/</sup>

Aggregate net sales of the seven fresh cut flowers varied little during the period of investigation, from \$40.8 million in 1983 to \$41.7 million in 1984, and then dipped to \$41.4 million in 1985, an increase of only 1.4 percent from 1983 to 1985 (table 8). During the same 3-year period, total growing and operating expenses increased by 15.3 percent.

---

<sup>1/</sup> Seventeen U.S. growers, accounting for 9 percent of 1985 U.S. shipments of the seven specified flowers, furnished usable income-and-loss data in response to Commission questionnaires. The trends for operating income and operating ratios reported on Commission questionnaires were similar to those reported in the petitioner's data. A compilation of data obtained from Commission questionnaires is presented in Memorandum INV-J-117.

Table 7.--Production and related workers producing certain fresh cut flowers, hours worked by, and wages paid to those workers, 1983-85

Item	1983	1984	1985
Production and related workers producing--			
Standard carnations.....	367	358	356
Miniature carnations.....	118	117	118
Standard chrysanthemums.....	93	91	86
Pompom chrysanthemums.....	348	341	317
Alstroemeria.....	35	51	68
Gerberas.....	10	12	13
Gypsophila.....	76	80	80
Total.....	1,047	1,050	1,038
All products.....	1,397	1,415	1,403
Hours worked by production and related workers producing--			
Standard carnations..1,000 hours..	888	898	885
Miniature carnations.....do....	264	251	260
Standard chrysanthemums.....do....	219	221	195
Pompom chrysanthemums.....do....	806	799	755
Alstroemeria.....do....	88	127	159
Gerberas.....do....	18	30	32
Gypsophila.....do....	96	121	123
Total.....do....	2,379	2,447	2,409
All products.....do....	3,306	3,422	3,394
Hourly wages paid to production and related workers producing--			
Standard carnations.....	\$4.29	\$4.38	\$4.64
Miniature carnations.....	4.58	4.65	4.99
Standard chrysanthemums.....	4.32	4.58	4.73
Pompom chrysanthemums.....	3.79	3.72	4.41
Alstroemeria.....	3.38	4.07	4.25
Gerberas.....	4.15	5.43	6.06
Gypsophila.....	4.14	4.52	5.03
Average.....	4.26	4.42	4.70
All products.....	4.50	4.65	4.93

Source: Compiled from data submitted by the petitioner.

Table 8.--Income-and-loss experience of 79 U.S. growers on their operations growing seven fresh cut flowers, accounting years 1983-85

Item	1983	1984 1/	1985 2/
Net sales.....1,000 dollars..	40,788	41,674	41,351
Growing and operating expenses:			
Cost of materials.....do....	7,993	7,979	8,590
Other labor costs.....do....	10,921	12,122	12,778
Variable overhead.....do....	8,460	9,019	9,327
Fixed overhead.....do....	2,171	2,441	2,781
Land expense.....do....	1,119	1,247	1,353
Depreciation.....do....	2,825	3,232	3,522
General, selling, and administrative expenses.....do....	1,923	2,194	2,449
Interest expense.....do....	1,158	1,268	1,317
Total, growing and operating expenses before officers' or partners' salaries			
1,000 dollars..	36,570	39,503	42,117
Operating income or (loss) before officers' or partners' salaries.....1,000 dollars..	4,218	2,171	(765)
Officers' or partners' salaries.....do....	2,848	3,218	3,338
Operating income or (loss).....do....	1,370	(1,047)	(4,103)
Depreciation, included above.....do....	2,825	3,232	3,522
Cashflow 3/.....do....	4,195	2,185	(581)
Ratio to net sales:			
Growing and operating expenses:			
Cost of materials.....percent..	19.6	19.1	20.8
Other labor costs.....do....	26.8	29.1	30.9
Variable overhead.....do....	20.7	21.6	22.6
Fixed overhead.....do....	5.3	5.9	6.7
Land expense.....do....	2.7	3.0	3.3
Depreciation.....do....	6.9	7.8	8.5
General, selling, and administrative expenses.....do....	4.7	5.3	5.9
Interest expense.....do....	2.8	3.0	3.2
Total growing and operating expenses before officers' or partners' salaries			
percent..	89.7	94.8	101.9
Operating income or (loss) before officers' or partners' salaries.....percent..	10.3	5.2	(1.9)
Officers' or partners' salaries.....do....	7.0	7.7	8.1
Operating income or (loss).....do....	3.4	(2.5)	(9.9)
Number of growers reporting operating losses.....	29	36	47
Number of growers reporting.....	80	79	79

1/ \* \* \*.

2/ \* \* \*.

3/ Operating income or (loss) plus depreciation.

Source: Compiled from data submitted by the petitioner.

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

A-28



A comparison of each growing and operating expense category during 1983-85, expressed in percentages of total growing and operating expenses, is shown in the tabulation below:

Item	1983	1984	1985
Cost of materials.....	20.3	18.7	18.9
Labor:			
Officers' and partners' salaries.....	7.2	7.5	7.3
Other labor costs.....	27.7	28.4	28.1
Total labor costs.....	34.4	35.4	35.5
Variable overhead.....	21.5	21.1	20.5
Fixed overhead.....	5.5	5.7	6.1
Land expense.....	2.8	2.9	3.0
Depreciation.....	7.2	7.6	7.7
General, selling, and administrative expenses.....	4.9	5.1	5.4
Interest expense.....	2.9	3.0	2.9
Total growing and operating expenses.....	100.0	100.0	100.0

Officers' or partners' salaries are included in the labor component in order to be consistent with the format of the questionnaire that collected the data and, therefore, to present total labor costs as reported. Growers were instructed in the petitioner's questionnaire to limit the amount reported for officers' or partners' salaries to that claimed and allowed by the Internal Revenue Service on each grower's Federal income tax return as ordinary and necessary business expenses.

The percentage increase in each growing and operating expense category from 1983 to 1985 is presented in the following tabulation (in percent):

	<u>Increase from 1983 to 1985</u>
Cost of materials.....	7.5
Labor:	
Officers' or partners' salaries.....	17.2
Other labor costs.....	17.0
Average labor costs.....	17.0
Variable overhead.....	10.2
Fixed overhead.....	28.1
Land expense.....	20.9
Depreciation.....	24.7
General, selling, and administrative expenses..	27.4
Interest expense.....	13.7
Total growing and operating expenses.....	15.3

U.S. growers reported 1983 aggregate operating income after officers' or partners' salaries of \$1.4 million on their operations producing the seven fresh cut flowers and then incurred operating losses of \$1.0 million in 1984 and \$4.1 million in 1985. The operating income margin in 1983 was 3.4 percent; the operating loss margins were 2.5 percent and 9.9 percent in 1984 and 1985, respectively. Operating losses were reported by 29 growers in 1983, 36 in 1984, and 47 in 1985.

The income-and-loss data of U.S. growers on their operations growing all fresh cut flowers and other greenhouse products are presented in table 9. Selected financial data of U.S. growers on their operations growing the seven fresh cut flowers, by individual flower, are presented in table 10.

For the group of firms surveyed by the petitioner, pompom chrysanthemums accounted for a larger share of net sales and total expenses than the other flowers specified in the petitions. The following tabulation compares the share of net sales and expenses for each flower to aggregate net sales and expenses (in percent):

Item	1983	1984	1985
<b>Net sales:</b>			
Standard carnations.....	26.4	26.7	26.1
Miniature carnations.....	9.6	9.5	9.4
Standard chrysanthemums.....	9.6	9.2	7.6
Pompom chrysanthemums.....	43.7	41.9	42.7
Alstroemeria.....	2.3	3.7	5.0
Gerberas.....	1.9	2.4	2.8
Gypsophila.....	6.5	6.6	6.4
Total net sales.....	100.0	100.0	100.0
<b>Total growing and operating expenses, including officers' or partners' salaries:</b>			
Standard carnations.....	27.9	27.2	26.5
Miniature carnations.....	9.0	8.0	7.9
Standard chrysanthemums.....	7.0	6.6	6.2
Pompom chrysanthemums.....	48.0	47.5	47.0
Alstroemeria.....	2.3	3.7	4.2
Gerberas.....	1.4	2.0	2.7
Gypsophila.....	4.4	5.0	5.5
Total growing and operating expenses.....	100.0	100.0	100.0

Table 9.--Income-and-loss experience of 79 U.S. growers on their total operations growing seven fresh cut flowers, other fresh cut flowers, and other greenhouse products, accounting years 1983-85

Item	1983	1984 1/	1985 2/
<b>Net sales:</b>			
Seven fresh cut flowers.....1,000 dollars..	40,788	41,674	41,351
Other fresh cut flowers 3/.....do....	2,571	3,375	3,721
Other greenhouse products.....do....	1,764	861	798
Total net sales.....do....	45,123	45,911	45,870
<b>Growing and operating expenses:</b>			
Cost of materials.....do....	9,089	8,780	9,277
Other labor costs.....do....	12,243	13,295	13,966
Variable overhead.....do....	9,160	10,075	10,239
Fixed overhead.....do....	2,496	2,759	3,147
Land expense.....do....	1,140	1,287	1,389
Depreciation.....do....	2,985	3,384	3,676
General, selling, and administrative expenses.....do....	1,954	2,223	2,487
Interest expense.....do....	1,222	1,341	1,397
Total growing and operating expenses before officers' or partners' salaries 1,000 dollars..	40,289	43,144	45,578
Operating income or (loss) before officers' or partners' salaries.....1,000 dollars..	4,834	2,767	292
Officers' or partners' salaries.....do....	2,932	3,307	3,429
Operating income or (loss).....do....	1,903	(541)	(3,137)
Depreciation, included above.....do....	2,985	3,384	3,676
Cashflow 4/.....do....	4,888	2,843	539
<b>Ratio to net sales:</b>			
<b>Growing and operating expenses:</b>			
Cost of materials.....percent..	20.1	19.1	20.2
Other labor costs.....do....	27.1	29.0	30.4
Variable overhead.....do....	20.3	21.9	22.3
Fixed overhead.....do....	5.5	6.0	6.9
Land expense.....do....	2.5	2.8	3.0
Depreciation.....do....	6.6	7.4	8.0
General, selling, and administrative expenses.....do....	4.3	4.8	5.4
Interest expense.....do....	2.7	2.9	3.0
Total growing and operating expenses before officers' or partners' salaries..percent..	89.3	94.0	99.4
Operating income or (loss) before officers' or partners' salaries.....percent..	10.7	6.0	0.6
Officers' or partners' salaries.....do....	6.5	7.2	7.5
Operating income or (loss).....do....	4.2	(1.2)	(6.8)
Number of growers reporting operating losses.....	25	34	46
Number of growers reporting.....	80	79	79

1/ \* \* \*.

2/ \* \* \*.

3/ According to counsel for the petitioner, these figures do not include roses. Commission questionnaires indicate that \* \* \*. Therefore, the figures understate sales of other cut flowers.

4/ Operating income or (loss) plus depreciation.

Source: Compiled from data submitted by the petitioner.

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

Table 10.--Selected financial data of 79 U.S. growers on their operations growing seven fresh cut flowers, by individual flower, accounting years 1983-85

Item	1983	1984 1/	1985 2/
<b>Net sales:</b>			
Standard carnations.....1,000 dollars..	10,777	11,125	10,807
Miniature carnations.....do....	3,907	3,967	3,886
Standard chrysanthemums.....do....	3,898	3,815	3,143
Pompom chrysanthemums.....do....	17,834	17,469	17,667
Alstroemeria.....do....	962	1,557	2,047
Gerberas.....do....	771	1,012	1,166
Gypsophila.....do....	2,639	2,728	2,634
Total net sales.....do....	40,788	41,674	41,351
<b>Total growing and operating expenses before officers' or partners' salaries:</b>			
Standard carnations.....1,000 dollars..	10,406	10,958	11,394
Miniature carnations.....do....	3,214	3,053	3,313
Standard chrysanthemums.....do....	2,627	2,686	2,586
Pompom chrysanthemums.....do....	17,426	18,710	19,738
Alstroemeria.....do....	787	1,391	1,714
Gerberas.....do....	444	678	977
Gypsophila.....do....	1,669	2,026	2,394
Total growing and operating expenses before officers' or partners' salaries.....1,000 dollars..	36,570	39,503	42,117
<b>Officers' or partners' salaries:</b>			
Standard carnations.....do....	571	664	647
Miniature carnations.....do....	344	368	272
Standard chrysanthemums.....do....	137	140	226
Pompom chrysanthemums.....do....	1,512	1,576	1,640
Alstroemeria.....do....	99	162	198
Gerberas.....do....	101	189	245
Gypsophila.....do....	82	119	111
Total officers' or partners' salaries...do....	2,848	3,218	3,338
<b>Operating income or (loss) after officers' or partners' salaries:</b>			
Standard carnations.....1,000 dollars..	(200)	(497)	(1,234)
Miniature carnations.....do....	349	546	301
Standard chrysanthemums.....do....	1,134	989	331
Pompom chrysanthemums.....do....	(1,104)	(2,817)	(3,711)
Alstroemeria.....do....	76	4	135
Gerberas.....do....	226	145	(56)
Gypsophila.....do....	888	583	129
Total operating income or (loss).....do....	1,370	(1,047)	(4,103)

See footnotes at end of table.

Table 10.--Selected financial data of 79 U.S. growers on their operations growing seven fresh cut flowers, by individual flower, accounting years 1983-85--Continued

Item	1983	1984	1985
Ratio to net sales:			
Total growing and operating expenses before officers' or partners' salaries:			
Standard carnations.....percent..	96.6	98.5	105.4
Miniature carnations.....do....	82.3	77.0	85.3
Standard chrysanthemums.....do....	67.4	70.4	82.3
Pompom chrysanthemums.....do....	97.7	107.1	111.7
Alstroemeria.....do....	81.8	89.3	83.7
Gerberas.....do....	57.6	67.0	83.8
Gypsophila.....do....	63.2	74.3	90.9
Total growing and operating expenses before officers' or partners' salaries...percent..	89.7	94.8	101.9
Officers' or partners' salaries:			
Standard carnations.....do....	5.3	6.0	6.0
Miniature carnations.....do....	8.8	9.3	7.0
Standard chrysanthemums.....do....	3.5	3.7	7.2
Pompom chrysanthemums.....do....	8.5	9.0	9.3
Alstroemeria.....do....	10.3	10.4	9.7
Gerberas.....do....	13.1	18.7	21.0
Gypsophila.....do....	3.1	4.4	4.2
Total officers' or partners' salaries...do....	7.0	7.7	8.1
Operating income or (loss) after officers' or partners' salaries:			
Standard carnations.....percent..	(1.9)	(4.5)	(11.4)
Miniature carnations.....do....	8.9	13.8	7.7
Standard chrysanthemums.....do....	29.1	25.9	10.5
Pompom chrysanthemums.....do....	(6.2)	(16.1)	(21.0)
Alstroemeria.....do....	7.9	0.3	6.6
Gerberas.....do....	29.3	14.3	(4.8)
Gypsophila.....do....	33.6	21.4	4.9
Total operating income or (loss).....do....	3.4	(2.5)	( 9.9)

1/ \* \* \*.  
2/ \* \* \*.

Source: Compiled from data submitted by the petitioner.

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

Selected income-and-loss data of the 79 U.S. growers on their operations growing the 7 fresh cut flowers (from table 8) are compared with corresponding data for "other fresh cut flowers and other greenhouse products" (from table 9) and for total operations (from table 9) in the following tabulation:

Item	1983	1984	1985
Net sales:			
Seven fresh cut flowers.....1,000 dollars..	40,788	41,674	41,351
Other fresh cut flowers and greenhouse products.....1,000 dollars..	4,335	4,237	4,519
Total sales.....do....	45,123	45,911	45,870
Total expenses, including officers' and partners' salaries:			
Seven fresh cut flowers.....1,000 dollars..	39,418	42,721	45,455
Other fresh cut flowers and greenhouse products.....1,000 dollars..	3,801	3,731	3,553
Total growing and operating expenses 1,000 dollars..	43,219	46,452	49,008
Operating income or (loss):			
Seven fresh cut flowers.....do....	1,370	(1,047)	(4,103)
Other fresh cut flowers and greenhouse products.....1,000 dollars..	533	506	966
Total operating income or (loss)...do....	1,903	(541)	(3,137)
Ratio to net sales of--			
Expenses:			
Seven fresh cut flowers.....percent..	96.6	102.5	109.9
Other fresh cut flowers and greenhouse products.....percent..	87.7	88.1	78.6
Total expenses.....do....	95.8	101.2	106.8
Operating income or (loss):			
Seven fresh cut flowers.....percent..	3.4	(2.5)	(9.9)
Other fresh cut flowers and greenhouse products.....percent..	12.3	11.9	21.4
Total operating income or (loss) percent..	4.2	(1.2)	(6.8)

The seven fresh cut flowers specified in the petitions are grown primarily in California, Colorado, and Florida. The industry in California and Colorado differs in several respects from that in Florida: for example, (1) most flowers in California and Colorado are grown in greenhouses, whereas most flowers in Florida are grown outdoors; (2) the growing and harvesting seasons in the two regions are somewhat different; (3) some flowers are grown more in one region than in the other (e.g., Florida grows few standard chrysanthemums but is a stronger producer of gypsophila); (4) the Florida industry competes more closely with the large number of imports that enter through Miami; and (5) Florida growers allegedly were adversely affected by a freeze during the period of investigation. Ten of the 79 U.S. growers surveyed by the petitioner are Florida firms, 10 are in Colorado, and 59 are

in California. Selected income-and-loss data for the Florida and California/Colorado growers are summarized in the following tabulation:

Item	1983	1984	1985
Net sales:			
Florida growers.....1,000 dollars..	8,163	7,353	6,691
California/Colorado growers.....do....	32,625	34,321	34,660
Total sales, seven fresh cut flowers 1,000 dollars..	40,788	41,674	41,351
Operating income or (loss):			
Florida growers.....do....	1,097	99	(670)
California/Colorado growers.....do....	273	(1,146)	(3,433)
Total operating income or (loss), seven fresh cut flowers.....1,000 dollars..	1,370	(1,047)	(4,103)
Operating income or (loss) as a share of net sales:			
Florida growers.....percent..	13.4	1.3	(10.0)
California/Colorado growers.....do....	0.8	(3.3)	(9.9)
Total, seven fresh cut flowers.....do....	3.4	(2.5)	(9.9)

Of the 79 U.S. growers surveyed by the petitioner, 27 had a significant impact on the aggregate financial performance of operations growing seven fresh cut flowers. Seven growers were highly profitable, whereas 20 reported an operating loss of at least \$100,000 sometime during 1983-85. \*\*\* of the highly profitable growers are in California, \*\*\* in Florida, and \*\*\* in Colorado. Of those reporting heavy losses, \*\*\* are in California, \*\*\* in Florida, and \*\*\* in Colorado. A comparison of certain financial data of the most profitable, the most unprofitable, and the other 52 growers on their operations growing seven fresh cut flowers are shown in the following tabulation:

Item	1983	1984	1985
Net sales:			
Most profitable growers.....1,000 dollars..	4,718	4,368	4,246
Most unprofitable growers.....do....	18,649	18,435	18,210
All other growers.....do....	17,421	18,871	18,895
Total net sales.....do....	40,788	41,674	41,351
Operating income or (loss):			
Most profitable growers.....do....	1,434	1,309	871
Most unprofitable growers.....do....	(663)	(2,922)	(4,503)
All other growers.....do....	599	566	(471)
Total operating income or (loss).....do....	1,370	(1,047)	(4,103)
Operating income or (loss) margins:			
Most profitable growers.....do....	30.4	30.0	20.5
Most unprofitable growers.....do....	(3.6)	(15.9)	(24.7)
All other growers.....do....	3.4	3.0	(2.5)
Total operating margins.....do....	3.4	(2.5)	(9.9)

Data on capital expenditures and the value of fixed assets were submitted by the petitioner for 24 U.S. growers. The data are presented in the following tabulations (in thousands of dollars):

<u>Capital expenditures</u>			
<u>Item</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>
Land.....	182	215	245
Building or leasehold improvements.....	703	440	564
Machinery, equipment, and fixtures.....	229	387	319
Total capital expenditures.....	1,114	1,042	1,128
<u>Value of fixed assets</u>			
<u>Item</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>
Original cost.....	12,427	13,394	15,018
Book value.....	4,579	4,631	5,033

#### Consideration of the Threat of Material Injury to an Industry in the United States

In its examination of the question of the threat of material injury to an industry in the United States, the Commission may take into consideration such factors as the rate of increase in alleged subsidized and/or LTFV imports, the rate of increase in U.S. market penetration by such imports, the amount of imports held in inventory in the United States, the capacity of producers in the countries subject to the investigation to generate exports (including the availability of export markets other than the United States), and the price-depressing or -suppressing effect of the subject imports on domestic prices. Information regarding the capacity of the foreign producers to generate exports is discussed in the section of the report entitled "Foreign producers and U.S. importers." A discussion of prices and the rates of increase in imports of the fresh cut flowers subject to these investigations and of their U.S. market penetration is presented in the section of the report entitled "Consideration of the Causal Relationship Between Alleged Material Injury or the Threat Thereof and the Alleged Subsidized and LTFV Imports." Since fresh cut flowers are a highly perishable commodity, inventories for future sales are not maintained.

#### Foreign producers and U.S. importers

Information on the foreign industries producing fresh cut flowers and on U.S. importers of the subject products was not available for all countries named in these investigations. In response to requests by the Commission staff, information was provided for several of the countries under investigation and summaries of these responses follow.



Colombia. 1/--The fresh cut flower industry in Colombia is 20 years old and consists of approximately 112 producers. Some 17 different varieties of fresh cut flowers are grown for export to 23 countries.

Colombia's shipments of fresh cut flowers increased each year during 1983-85 (table 11). Shipments to the United States represented the largest market served by Colombian flowers. Exports to the United States accounted for 71 percent of Colombia's total shipments in 1983, 75 percent in 1984, and 76 percent in 1985. 2/

Information on capacity to produce the fresh cut flowers under investigation, measured in area under production, is available only for 1985, and is as follows (in thousands of square feet):

Standard carnations-----	86,100	Alstroemeria--	3,200
Miniature carnations-----	10,800	Gerberas-----	2,100
Standard chrysanthemums--	17,200	Gypsophila----	3,700
Pompom chrysanthemums----	43,000		

Most all U.S. imports of flowers from Colombia enter through the Miami, Florida customs district. Of the 30 firms responding to the Commission's importer questionnaire, 23 imported from Colombia during the period examined.

Kenya. 3/--\* \* \* large firms dominate the flower growing industry in Kenya--\* \* \*. These \* \* \*, along with many much smaller growers, produce a varied assortment of floral products. Some of the flowers Kenya grows for export are the following: standard carnations, miniature carnations, alstroemeria, orthogalum, statice sinuata, larkspur, euphorbia, roses, and liatris. Only \* \* \* are exported to the United States. 4/ All other varieties are exported to \* \* \*. Exports of standard and miniature carnations to the United States represented a small percentage of Kenya's production of each during 1983-85 (table 12).

\* \* \* \* \*

\* \* \*. Flower orders are required to be available at the airport in Nairobi 3 days prior to shipment. Once loaded and shipped, delivery takes an average of 22 hours to New York.

---

1/ Counsel for the Asociacion Colombiana de Exportadores de Flores (Asocolflores) provided much of the following information on the fresh cut flower industry in Colombia.

2/ Counsel for Asocolflores indicated that a portion of the exports recorded as shipped to the United States were actually shipped through the U.S. to Canada. No estimate was offered to quantify such transshipments.

3/ Information presented in this section on Kenya was provided by \* \* \*.

4/ The flowers subject to investigation from Kenya are standard and miniature carnations.

Table 11.--Certain fresh cut flowers: Colombia's  
domestic shipments and exports, 1/ 1983-85

Item	1983	1984	1985
<b>Standard carnations:</b>			
Domestic shipments			
1,000 stems..	43,417	46,507	52,293
Exports to:			
United States.....do....	541,926	615,847	691,657
Other countries.....do....	283,005	267,787	301,919
Total shipments.....do....	868,348	930,141	1,045,869
<b>Miniature carnations:</b>			
Domestic shipments			
1,000 stems..	6,588	10,601	13,148
Exports to:			
United States.....do....	104,480	179,970	220,181
Other countries.....do....	20,694	21,443	29,622
Total shipments.....do....	131,762	212,014	262,951
<b>Standard chrysanthemums:</b>			
Domestic shipments			
1,000 stems..	1,610	2,016	2,650
Exports to:			
United States.....do....	29,716	37,714	49,660
Other countries.....do....	867	585	682
Total shipments.....do....	32,193	40,315	52,992
<b>Pompon chrysanthemums:</b>			
Domestic shipments			
1,000 stems..	19,058	22,164	29,886
Exports to:			
United States.....do....	319,521	379,859	519,273
Other countries.....do....	42,590	41,255	48,554
Total shipments.....do....	381,169	443,278	597,713
<b>Alstroemeria:</b>			
Domestic shipments			
1,000 stems..	318	785	1,584
Exports to:			
United States.....do....	6,810	14,769	28,931
Other countries.....do....	125	138	1,161
Total shipments.....do....	7,253	15,692	31,676
<b>Gerberas:</b>			
Domestic shipments			
1,000 stems..	42	174	217
Exports to:			
United States.....do....	792	3,309	4,131
Other countries.....do....	2	0	0
Total shipments.....do....	836	3,483	4,348
<b>Gypsophila:</b>			
Domestic shipments.1,000 stems..			
	671	580	779
Exports to:			
United States.....do....	12,508	10,618	13,280
Other countries.....do....	237	397	1,514
Total shipments.....do....	13,416	11,595	15,573

A-38

See footnote at end of table.

Table 11.--Certain fresh cut flowers: Colombia's domestic shipments and exports, 1983-85--Continued

Item	1983	1984	1985
<u>Total:</u>			
Domestic shipments			
1,000 stems..	71,704	82,827	100,557
Exports to:			
United States.....do....	1,015,753	1,242,086	1,527,113
Other countries.....do....	347,520	331,605	383,452
Total shipments.....do....	1,434,977	1,656,518	2,011,122

1/ Imports of all seven flower types from Colombia are the subject products under investigation.

Source: Compiled from data submitted by counsel for Asocolflores. Data on exports are based on export licenses issued by INCOMEX. Counsel notes that since some licenses issued may not have been used, the export figures may be overstated.

Table 12.--Certain fresh cut flowers: 1/ Kenya's production, capacity, capacity utilization, and exports to the United States, 1983-85

\* \* \* \* \*

Netherlands. 1/--The Netherlands has long been a supplier of a wide variety of fresh cut flowers to the world market. Today the Dutch flower industry is mostly concentrated in greenhouses, thereby achieving year round production. According to data provided by the Dutch Central Bureau of Statistics, 5,560 flower nurseries operate in the Netherlands producing within a total area of 10,008 acres of greenhouses. Fresh cut flowers in the Netherlands are sold through 10 regional auctions with the three largest in Aalsmeer, Naaldwijk, and Rijnsburg. A supply of 4,000 different cut flowers is provided by 8,000 members of the Association of Dutch Flower Auctions.

The Netherland's major export markets are West Germany, France, the United Kingdom, and the United States. West Germany is the largest, receiving over 50 percent of the Netherland's total flower exports. In 1985 (the only year that data were provided) Dutch exports to the United States accounted for 3 percent of total Dutch exports of carnations, 3 percent of its exports of chrysanthemums, 16 percent of alstroemeria exports, and 5 percent of gerbera exports.

Most flowers from the Netherlands (79 percent in 1985) entered the United States through the New York customs district. The Netherlands sold to over

1/ Information provided by the Royal Netherlands Embassy and counsel for the Netherlands Association of Wholesalers in Floricultural Products.

600 importers in the United States in 1985; 43 of these purchased large quantities of Dutch fresh cut flowers. These importers are located throughout the country, but are concentrated around major metropolitan areas. Dutch flowers are sold by spot sales to these importers. Delivery takes about 12 hours via air carrier. Selected trade data on the fresh cut flowers subject to investigation from the Netherlands appear in table 13.

Israel. 1/--Following the oil crisis of 1973-74, Israel's suitable climate for growing many flowers outdoors, became a significant factor in encouraging an expansion in its flower-growing industry. Since flower growing in Northern Europe is housed mostly in energy-consuming greenhouses, Israel's international competitiveness was enhanced. Israeli production and exports of

Table 13.--Certain fresh cut flowers: 1/ Netherlands' capacity, production, domestic shipments, and exports, 1983-85

Item	1983	1984	1985
All carnations: 2/			
Production.....million stems..	791	778	810
Domestic shipments.....do....	296	291	293
Exports.....do....	495	487	517
Total shipments.....do....	791	778	810
Standard chrysanthemums:			
Capacity.....acres..	1,169	1,213	1,280
Production.....million stems..	651	692	786
Domestic shipments.....do....	349	365	403
Exports.....do....	302	327	383
Total shipments.....do....	651	692	786
Alstroemeria:			
Capacity.....acres..	104	104	104
Production.....million stems..	76	92	104
Domestic shipments.....do....	38	50	52
Exports.....do....	38	42	52
Total shipments.....do....	76	92	104
Gerberas:			
Capacity.....acres..	1169	1213	1280
Production.....million stems..	651	692	786
Domestic shipments.....do....	349	365	403
Exports.....do....	302	327	383
Total shipments.....do....	651	692	786

1/ Imports of miniature carnations, standard chrysanthemums, alstroemeria, and gerberas from the Netherlands are the subject products under investigation.

2/ Data were not available separately for miniature carnations.

Source: Compiled from data submitted by the Royal Netherlands Embassy.

1/ Information on the flower-growing industry in Israel is based on an article in USDA Foreign Agriculture Circular, "Horticultural Products," April 1986, pp. 18-19, and on a conversation with \* \* \*.

fresh cut flowers increased through much of the 1970's, leveling off by 1980. Since then, export revenues have reportedly declined.

Agrexco LTD, Tel Aviv, Israel, is the primary exporter in Israel, accounting for 70-90 percent of Israel's cut-flower exports. Agrexco LTD is a cooperative jointly owned by the Government of Israel and flower growers. \* \* \*. 1/ \* \* \* other companies control the remaining exports. Agrexco LTD receives flowers from seven packing houses and ships from its own airport terminal. Approximately 50 percent of Agrexco's exports are marketed under the Carmel label. The remaining flowers are marketed through the Dutch flower auction. Flowers destined for the U.S. market are flown through Amsterdam, where some flowers are unloaded. Projections for Israeli flower exports are for moderate growth through the 1980's. Marketing forecasts, by the Israel Flower Board, for the 1985/86 selling season show a decline of 11 percent for miniature carnations and an increase of 9 percent for gerberas compared with the 1984/85 season.

Almost all U.S. imports of flowers from Israel enter through the New York customs district (97 percent in 1985), with small quantities entering through U.S. customs districts in Los Angeles, Chicago, and Houston.

Mexico. 2/ 3/--According to information provided by an association of producers and exporters in Mexico (ANAPROMEX), growers of fresh cut flowers in Mexico are producing at close to full capacity. The association was not able to provide complete data on the Mexican industry but information provided by \* \* \* (accounting for \*\*\* percent of carnation exports and \*\*\* percent of pompom chrysanthemum exports) reported operating at over \*\*\* percent of capacity. Another firm reported operating at \*\*\* percent of its carnation and pompom capacity.

In addition ANAPROMEX explained that since good farm land is scarce in Mexico (the Mexican Government estimates that 8 percent of the land is suitable for farming) land is very expensive. The need to grow more food in a nation where shortages of essential foodstuffs such as corn and wheat exist, further restricts any prospects for expansion in the Mexican flower growing industry. Exports account for a small part of fresh cut flower shipments, reportedly as a result of the following: Mexico consumes most of its flower production in a large home market and, further, growers lack the quality control and organization to be successful in foreign markets.

The bulk of U.S. imports of fresh cut flowers from Mexico enter through the San Diego, CA (67 percent in 1985), Houston, TX (16 percent), and San Francisco, CA (7 percent) customs districts. Four U.S. firms (\* \* \*) reported any imports of the subject flowers during the period examined.

---

1/ \* \* \*.

2/ This section was developed from information provided in the post-conference brief of Association Nacional de Productores y Exportadores de Ornamentales de Mexico A.C. (ANAPROMEX), pp. 14-16 and public appendix 13 of the antidumping petition.

3/ Fresh cut flowers subject to these investigations from Mexico include standard carnations and standard and pompom chrysanthemums.

Canada. 1/--The provinces of British Columbia and Ontario are the major producing areas for fresh cut flowers in Canada. Very small quantities are produced in other provinces. Prior to the mid-1970's, Canadian flower growers supplied most of the eastern Canadian market but faced competition from U.S.-grown flowers in the western provinces. Imports from Colombia entered the Canadian market in the mid-1970's. Imports from Colombia increased each year and are now a major source of fresh cut flowers to eastern Canada. U.S. growers remain a significant supplier to the western provinces.

The production of standard and miniature carnations 2/ dropped from 23 million stems in 1974 to approximately 9 million stems in 1984 (55 percent standard carnations and 45 percent miniature carnations).

Sales of Canadian-produced carnations are reportedly limited to local isolated markets within Canada or to border markets in the United States. No standard carnations are exported and very small quantities of miniature carnations are exported, according to Flowers Canada (an association representing the Canadian floral industry). 3/ Small wholesalers sell flowers shipped in water to border U.S. cities such as Detroit and Niagara Falls. Sales transported in this manner are costly and therefore are restricted to a very small area. Flowers Canada officials believe that some of these sales are made with flowers the wholesalers import from Colombia and the Netherlands.

None of the firms responding to the Commission's importer questionnaire reported any imports from Canada.

Other countries.--Information on the industries producing fresh cut flowers and on foreign producers' ability to generate exports was not available for these preliminary investigations for Chile, Costa Rica, Ecuador, or Peru. Almost all U.S. imports of fresh cut flowers from these countries entered through the Miami, FL, customs district during 1985. Seven firms that responded to Commission questionnaires reported imports from these four countries during 1983-March 1986.

---

1/ Information provided by Flowers Canada/Fleurs Canada Inc., in a brief submitted on June 16, 1986, pp. 1-7.

2/ Fresh cut flowers subject to these investigations from Canada include standard and miniature carnations.

3/ Mr. Barney Wilson, executive secretary of Flowers Canada, questions the accuracy of official U.S. statistics reporting over 3 million stems of standard carnations exported to the United States in 1985. He believes that this must reflect a transshipment of flowers originating in Colombia. He points out that total Canadian production of standard carnations was 3.7 million stems in 1984 (data were not available for 1985). The organization is attempting to gather evidence to support its contention (see letters from Flowers Canada, June 21 and 23, 1986).

Consideration of the Causal Relationship Between Imports of the  
Subject Products and the Alleged Injury

U.S. imports and market penetration

Imports from all sources.--Aggregate U.S. imports of the fresh cut flowers under investigation increased throughout the period examined (table 14). Imports of the subject fresh cut flowers totaled 1.0 billion stems in 1983, 1.1 billion stems in 1984, and 1.4 billion stems in 1985. <sup>1/</sup> These imports increased by 14 percent in January-March 1986 compared with those in the corresponding period of 1985.

Total imports of fresh cut flowers supplied a large and increasing share of apparent U.S. consumption during the period under investigation (table 15). Imports from all countries supplied 59.7 percent of apparent U.S. consumption of all seven flowers under investigation in 1984, 64.3 percent in 1985, and 71.4 percent during January-March 1986.

Imports from Canada.--Imports from Canada subject to these investigations are standard and miniature carnations. Canada was a very small supplier of these two types of flowers to the United States during the period examined. In 1985 imports of standard carnations from Canada rose sharply but still accounted for under 0.5 percent of total imports of standard carnations that year. Most of these imports entered the United States during the first quarter of 1985 (94 percent). <sup>2/</sup> Thereafter such imports from Canada returned to quantities similar to those recorded in 1983 and 1984. Alleged unfair imports from Canada supplied well under 1 percent of total U.S. consumption of the seven flowers under investigation during 1984-March 1986.

Imports from Chile.--Only imports of standard carnations from Chile are subject to these investigations. These imports increased throughout the period examined but still accounted for under 2 percent of all such imports at their highest points in 1985 and January-March 1986.

Alleged unfair imports from Chile supplied a larger share of U.S. consumption than Canada but still accounted for under 1 percent of apparent U.S. consumption of the seven fresh cut flowers under investigation.

Imports from Colombia.--Colombia was the only country of the 10 named that has all 7 flower types under investigation. Except for gerberas, Colombia is by far the largest foreign supplier to the United States of the remaining six flower types. Imports from Colombia of all seven of the flower types increased consistently during the period examined. These imports

---

<sup>1/</sup> Since data were not available in 1983 and 1984 for alstroemeria and gerberas, comparisons made during 1983-1985 reflect increases in the remaining five flower types under investigation.

<sup>2/</sup> Officials of the Canadian embassy and Flowers Canada believe that this increase reflects a transshipment of product originating in Colombia.

Table 14.--Certain fresh cut flowers: U.S. imports for consumption, 1983-85, January-March 1985, and January-March 1986

(In thousands of stems)

Item	1983	1984	1985	January-March--	
				1985	1986
<b>Standard carnations: 1/</b>					
Canada.....	186	67	1/ 3,449	3,248	203
Chile.....	631	2,159	7,242	1,258	3,671
Colombia.....	532,281	571,239	659,181	174,581	185,555
Costa Rica.....	1,610	2,720	4,988	1,654	1,814
Ecuador.....	1,267	2,542	4,843	824	1,982
Kenya.....	144	46	1,707	1,050	312
Mexico.....	17,998	18,009	19,926	5,310	5,638
Subtotal.....	554,117	596,782	701,336	187,925	199,175
All other countries.....	16,156	19,009	17,164	2,521	2,510
Total.....	570,273	615,791	718,500	190,446	201,685
<b>Miniature carnations: 1/</b>					
Canada.....	40	14	45	2/	104
Colombia.....	21,510	30,420	41,640	9,470	18,720
Costa Rica.....	230	200	1,730	460	640
Ecuador.....	1,730	2,600	9,850	1,390	2,300
Israel.....	10,780	8,390	13,750	5,930	8,880
Kenya.....	2,400	430	311	720	170
Netherlands.....	2,790	1,540	2,600	220	870
Peru.....	11,970	8,000	8,580	2,222	6,200
Subtotal.....	51,450	51,594	78,506	20,412	37,884
All other countries.....	3,230	2,700	6,939	558	790
Total.....	54,680	54,294	85,445	20,970	38,674
<b>Standard chrysanthemums: 1/</b>					
Colombia.....	22,100	23,726	26,233	6,289	4,043
Ecuador.....	76	236	224	111	41
Mexico.....	217	282	466	28	86
Netherlands.....	3,883	5,401	11,661	827	609
Subtotal.....	26,276	29,645	38,584	7,255	4,779
All other countries.....	919	1,148	1,900	897	451
Total.....	27,195	30,793	40,484	8,152	5,230
<b>Pompom chrysanthemums: 1/</b>					
Colombia.....	347,046	326,622	374,880	92,796	94,374
Costa Rica.....	6,426	9,594	19,710	4,476	5,724
Ecuador.....	1,356	1,608	1,764	558	756
Mexico.....	2,736	3,942	5,826	792	1,110
Peru.....	5,538	3,162	2,916	1,410	570
Subtotal.....	363,102	344,928	405,096	100,032	102,534
All other countries.....	5,338	4,959	6,697	1,495	1,552
Total.....	368,440	349,887	411,793	101,527	104,086
<b>Gypsophila: 1/</b>					
Colombia.....	15,547	18,518	30,218	5,162	9,802
Peru.....	3,610	6,888	26,448	4,292	12,412
Subtotal.....	19,157	25,406	56,666	9,454	22,214
All other countries.....	1,511	2,371	3,825	775	1,356
Total.....	20,668	27,777	60,491	10,229	23,570

A-44

See footnotes at end of table.



Table 14.--Certain fresh cut flowers: U.S. imports for consumption, 1983-85, January-March 1985, and January-March 1986--Continued

(In thousands of stems)

Item	1983	1984	1985	January-March--	
				1985	1986
Subtotal for the above					
five flowers					
Alleged unfair imports...	1,014,102	1,048,355	1,280,188	325,078	366,586
All other imports.....	27,154	30,187	36,525	6,246	6,659
Total.....	1,041,256	1,078,542	1,316,713	331,324	373,245
Alstroemeria: 1/					
Colombia.....	3/	3/	22,585	3,973	9,093
Netherlands.....	3/	3/	8,957	784	616
Subtotal.....	3/	3/	31,542	4,757	9,709
All other countries.....	3/	3/	1,589	402	356
Total.....	3/	3/	33,131	5,159	10,065
Gerberas: 1/					
Colombia.....	3/	3/	3,706	703	1,284
Israel.....	3/	3/	1,993	932	506
Netherlands.....	3/	3/	12,633	2,066	1,471
Subtotal.....	3/	3/	18,332	3,701	3,261
All other countries.....	3/	3/	708	87	213
Total.....	3/	3/	19,040	3,788	3,474
All seven flowers combined: 4/					
Alleged unfair imports					
from--					
Canada.....	226	81	3,494	3,248	307
Chile.....	631	2,159	7,242	1,258	3,671
Colombia.....	938,484	970,525	1,158,443	292,974	322,871
Costa Rica.....	8,266	12,514	26,428	6,590	8,178
Ecuador.....	4,429	6,986	16,681	2,883	5,079
Israel.....	10,780	8,390	15,743	6,862	9,386
Kenya.....	2,544	476	2,018	1,770	482
Mexico.....	20,951	22,233	26,218	6,130	6,834
Netherlands...	6,673	6,941	35,851	3,897	3,566
Peru.....	21,118	18,050	37,944	7,924	19,182
Total.....	1,014,102	1,048,355	1,330,062	333,536	379,556
All other imports.....	27,154	30,187	38,822	6,735	7,228
Total.....	1,041,256	1,078,542	1,368,884	340,271	386,784

1/ Data are provided separately for those countries for which allegations of dumping or subsidies have been made.

2/ Less than 500 stems.

3/ Data are not available prior to January 1, 1985.

4/ Totals for 1983 and 1984 do not include alstroemeria or gerberas. Totals by country include only the flowers for which allegations of dumping or subsidies have been made. If there are imports of one of the seven specified flowers from a country regarding which a dumping or subsidy allegation has not been made, such imports are included in "all other imports."

Source: Compiled from official statistics of the U.S. Department of Commerce (for Canada) and of the U.S. Department of Agriculture (for all other countries). Estimates were provided by USDA to convert any data compiled in bunches to stems.

Table 15.--Certain fresh cut flowers: Shares of apparent U.S. consumption held by imports and by U.S. producers' shipments, 1/ 1984-85, January-March 1985, and January-March 1986

(In percent)

Item	1984	1985	January-March--	
			1985	1986
<b>Standard carnations:</b>				
Canada.....	2/	0.3	1.3	0.1
Chile.....	0.2	.7	.5	1.4
Colombia.....	62.9	65.5	67.4	68.8
Costa Rica.....	.3	.5	.6	.7
Ecuador.....	.3	.5	.3	.7
Kenya.....	2/	.2	.4	.1
Mexico.....	2.0	2.0	2.1	2.1
Subtotal.....	65.7	69.7	72.6	73.9
All other countries.....	2.1	1.7	1.0	.09
Total.....	67.8	71.4	73.5	74.8
U.S. producers' shipments.....	32.2	28.6	26.5	25.2
Apparent U.S. consumption.....	100.0	100.0	100.0	100.0
<b>Miniature carnations:</b>				
Canada.....	2/	2/	2/	.2
Colombia.....	19.6	20.9	21.4	32.2
Costa Rica.....	.1	.9	1.0	1.1
Ecuador.....	1.7	4.9	3.1	4.0
Israel.....	5.4	6.9	13.4	15.3
Kenya.....	.3	.2	1.6	.3
Netherlands.....	1.0	1.3	.5	1.5
Peru.....	5.2	4.3	5.0	10.7
Subtotal.....	33.2	39.3	46.0	65.2
All other countries.....	1.7	3.5	1.3	1.4
Total.....	35.0	42.8	47.3	66.5
U.S. producers' shipments.....	65.0	57.2	52.7	33.5
Apparent U.S. consumption.....	100.0	100.0	100.0	100.0
<b>Standard chrysanthemums:</b>				
Colombia.....	24.2	26.4	26.3	25.7
Ecuador.....	.2	.2	.5	.3
Mexico.....	.3	.5	.1	.6
Netherlands.....	5.5	11.8	3.5	3.9
Subtotal.....	30.3	38.9	30.4	30.3
All other countries.....	1.2	1.9	3.8	2.9
Total.....	31.5	40.8	34.1	33.2
U.S. producers' shipments.....	68.6	59.2	65.9	66.8
Apparent U.S. consumption.....	100.0	100.0	100.0	100.0

See footnotes at end of table.

Table 15.--Certain fresh cut flowers: Shares of apparent U.S. consumption held by imports and by U.S. producers' shipments, 1/ 1984-85, January-March 1985, and January-March 1986--Continued

Item	(In percent)			
	1984	1985	January-March--	
			1985	1986
<b>Pompom chrysanthemums:</b>				
Colombia.....	59.4	59.6	59.8	62.1
Costa Rica.....	1.7	3.1	2.9	3.8
Ecuador.....	.3	.3	.4	.5
Mexico.....	.7	.9	.5	.7
Peru.....	.6	.5	.9	.4
Subtotal.....	62.7	64.4	64.4	67.4
All other countries.....	.9	1.1	1.0	1.0
Total.....	63.6	65.4	65.4	68.4
U.S. producers' shipments.....	36.4	34.6	34.6	31.6
Apparent U.S. consumption.....	100.0	100.0	100.0	100.0
<b>Gypsophila:</b>				
Colombia.....	30.8	32.5	23.3	31.8
Peru.....	11.5	28.4	19.4	40.2
Subtotal.....	42.3	60.9	42.6	72.0
All other countries.....	4.0	4.1	3.5	4.4
Total.....	46.3	65.1	46.1	76.4
U.S. producers' shipments.....	53.8	35.0	53.9	23.7
Apparent U.S. consumption.....	100.0	100.0	100.0	100.0
<b>Alstroemeria:</b>				
Colombia.....	3/	34.3	***	***
Netherlands.....	3/	13.6	***	***
Subtotal.....	3/	47.9	***	***
All other countries.....	3/	2.4	***	***
Total.....	3/	50.3	***	***
U.S. producers' shipments.....	3/	49.7	***	***
Apparent U.S. consumption.....	3/	100.0	100.0	100.0
<b>Gerberas:</b>				
Colombia.....	3/	10.9	***	***
Israel.....	3/	5.9	***	***
Netherlands.....	3/	37.3	***	***
Subtotal.....	3/	54.1	***	***
All other countries.....	3/	2.1	***	***
Total.....	3/	56.2	***	***
U.S. producers' shipments.....	3/	43.8	***	***
Apparent U.S. consumption.....	3/	100.0	100.0	100.0

See footnotes at end of table.

Table 15.--Certain fresh cut flowers: Shares of apparent U.S. consumption held by imports and by U.S. producers' shipments, 1/ 1984-85, January-March 1985, and January-March 1986--Continued

(In percent)

Item	1984	1985	January-March--	
			1985	1986
All seven flowers combined: <u>4/</u>				
Alleged unfair imports from--				
Canada.....	<u>2/</u>	.2	.6	.1
Chile.....	.1	.3	.2	.7
Colombia.....	53.7	54.5	56.8	59.6
Costa Rica.....	.7	1.2	1.3	1.5
Ecuador.....	.4	.8	.6	.9
Israel.....	<u>5</u>	.7	1.3	1.7
Kenya.....	<u>2/</u>	.1	.3	.1
Mexico.....	1.2	1.2	1.2	1.3
Netherlands.....	.4	1.7	.8	.7
Peru.....	1.0	1.8	1.5	3.5
Subtotal.....	58.0	62.5	64.7	70.0
All other imports.....	1.7	1.8	1.3	1.3
Total.....	59.7	64.3	66.0	71.4
U.S. producers' shipments.....	40.3	35.7	34.0	28.6
Apparent U.S. consumption.....	100.0	100.0	100.0	100.0

1/ Apparent U.S. consumption is derived by adding the quantity of imports to the quantity of U.S. producers' shipments. Data on imports are compiled from statistics published by the USDA. Data on U.S. producers' shipments are compiled from USDA statistics and from estimates based on data submitted by the petitioner and data submitted in response to Commission questionnaires. For a complete explanation of the method used for estimating U.S. producers' shipments, see the section entitled "U.S. producers' shipments." For further information on available data describing the U.S. industry, see app. D, "Sources of information on the U.S. industry." U.S. producers' shipments include exports, and therefore are slightly overstated as a share of apparent U.S. consumption. Exports are estimated to have been less than 0.5 percent of U.S. producers' shipments during each of the specified periods.

2/ Less than 0.05 percent.

3/ Not available.

4/ Totals for 1984 do not include alstroemeria or gerberas. Totals by country include only the flowers for which allegations of dumping or subsidies have been made. If there are imports of one of the seven specified flowers from a country regarding which a dumping or subsidy allegation has not been made, those imports are included in "all other imports."

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

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

increased by 3 percent from 1983 to 1984, by 17 percent in 1985, 1/ and by 10 percent during the first quarter of 1986 when compared to the year-earlier period. Imports from Colombia of all seven flower types made up over 80 percent of total U.S. imports of these products during 1983-March 1986.

Alleged unfair imports from Colombia supplied 53.5 percent of apparent U.S. consumption of the seven flowers subject to investigation in 1984, 54.5 percent in 1985, and 59.6 percent during the first quarter of 1986.

Imports from Costa Rica.--Those imports from Costa Rica subject to these investigations include standard and miniature carnations and pompoms. Imports of these three flowers increased steadily during the period under investigation. These imports from Costa Rica increased by 51 percent from 1983 to 1984, doubled in 1985, and increased by 24 percent during January-March 1986 compared with January-March 1985. Costa Rica supplied under 2 percent of total imports at its highest point.

Imports under investigation from Costa Rica accounted for 0.7 percent of apparent U.S. consumption of the seven flowers under investigation in 1984, 1.2 percent in 1985, and 1.5 percent during January-March 1986.

Imports from Ecuador.--The four flower types from Ecuador under investigation include standard and miniature carnations and standard and pompom chrysanthemums. Alleged unfair imports from Ecuador followed a similar increasing trend as that just discussed for Costa Rica during 1983-March 1986. These imports increased 58 percent from 1983 to 1984, doubled in 1985, and increased by 76 percent during the first quarter of 1986. U.S. imports of these four flower types from Ecuador accounted for less than 2 percent of total U.S. imports during the period examined.

Alleged unfair imports from Ecuador supplied a small (under 1 percent) but increasing share of apparent U.S. consumption of the seven flowers under investigation during 1984-March 1986.

Imports from Israel.--Miniature carnations and gerberas from Israel are subject to these investigations. After Colombia, Israel was the second largest supplier of miniature carnations to the United States. Such imports from Israel increased irregularly during the period examined; they fell by 22 percent from 1983 to 1984, increased by 64 percent in 1985, and increased by 50 percent during January-March 1986 compared to January-March 1985. Israel supplied 10 percent of total U.S. imports of gerberas in 1985 and 15 percent during the first quarter of 1986.

Imports of miniature carnations and gerberas from Israel accounted for 0.5 percent of U.S. consumption of the seven fresh cut flowers under investigation in 1984, 0.7 percent in 1985, and 1.7 percent during January-March 1986.

---

1/ Since data were not available in 1983 and 1984 for alstroemeria or gerberas, comparisons made during 1983-1985 reflect increases in the remaining five flower types.

Imports from Kenya.--Imports of standard and miniature carnations from Kenya, the two flower types alleged to be traded unfairly, fluctuated sharply during 1983-March 1986 but never accounted for even 1 percent of total U.S. imports of the seven flower types under investigation. These imports from Kenya accounted for the smallest market share of any of the ten countries named in these investigations.

Imports from Mexico.--U.S. imports from Mexico subject to these investigations include three flower types: standard carnations and standard and pompom chrysanthemums. Imports of these three flower types from Mexico increased steadily during the period examined. These imports increased by 6 percent from 1983 to 1984, by 18 percent in 1985, and by 11 percent during January-March 1986 when compared with the comparable period a year earlier. U.S. imports of these three flower types from Mexico accounted for about 2 percent of total U.S. imports. Market penetration of these imports from Mexico fluctuated within a narrow range (1.2-1.3 percent) during the period examined.

Imports from the Netherlands.--The four flower types from the Netherlands that are under investigation include miniature carnations, standard chrysanthemums, alstroemeria, and gerberas. U.S. imports of miniature carnations from the Netherlands declined irregularly during 1983-85, and then almost tripled during January-March 1986 compared with January-March 1985. U.S. imports of standard chrysanthemums from the Netherlands increased by 39 percent from 1983 to 1984, more than doubled in 1985, and then decreased by 26 percent during the first quarter of 1986. The Netherlands accounted for 27 percent of total U.S. imports of alstroemeria in 1985 and 6 percent during January-March 1986. The Netherlands was the largest foreign supplier of gerberas to the United States during the period for which data were available.

Alleged unfair imports from the Netherlands supplied 0.4 percent of apparent U.S. consumption of the seven flowers under investigation in 1984, 1.7 percent in 1985, and then declined to 0.7 percent during January-March 1986.

Imports from Peru.--U.S. imports from Peru subject to these investigations include miniature carnations, pompoms, and gypsophila. Imports of miniature carnations from Peru decreased irregularly during 1983-85 and then almost tripled during January-March 1986 when compared with the comparable period during 1985. Imports of Peruvian pompoms declined consistently throughout the period under investigation. Peru supplied 44 percent of total U.S. imports of gypsophila in 1985 and 53 percent during the first quarter of 1986.

The alleged dumped and subsidized imports from Peru supplied 1.0 percent of the U.S. market for the seven flowers under investigation in 1984, 1.8 percent in 1985, and 3.5 percent during January-March 1986.

## Prices

Sales of fresh cut flowers are made in one of three ways: standing order sales, spot market sales and consignment sales. Standing orders are generally sales made at fixed prices, with quantities varying depending on purchaser demand. 1/ Prices for fresh cut flowers sold on the spot market are determined from transaction to transaction and fluctuate almost constantly based on market supply. Sales occur daily, usually over the telephone. Spot prices tend to move around fixed standing-order prices, with spot sales commanding higher prices than standing orders during peak periods and lower prices during off-peak periods. In consignment sales, shippers (and grower/shippers) take delivery of and sell a grower's flowers for a commission that generally ranges from 20 to 25 percent. 2/

U.S. growers have traditionally sold under standing order arrangements, but the petitioner reports that growers are losing standing-order sales to lower priced imports and thus are being forced into the spot and consignment markets. 3/ Some importers also have standing-order sales, and both U.S. growers and importers are found making spot and consignment sales.

Demand is seasonal, with peak periods occurring during the first, second and fourth quarters. Prices tend to rise dramatically during these peaks, especially around Valentine's Day, Easter, and Mother's Day.

The quality and color of the flower, and the size of the bloom or bunch, also influence price. 4/ For example, a green tinted carnation will cost more than a carnation of a different color during the week prior to St. Patrick's Day. Red is in greatest demand for Valentine's Day, while pastels prevail for Mother's Day.

Growers, importers, shippers, and wholesalers have all emphasized the effects on price of factors such as daily market supply and seasonality, rather than factors usually considered to have an effect on price, such as volume of sale. One floral wholesaler explained that when sales begin in the morning, a seller will base his price on the number of stems available at that time. If more stems are available than he believes he can sell, his price will drop. Prices will fall, however, only to the point that sales begin to pick up again; then the seller will begin to raise his price, as demand is now greater than his available number of stems. This transition can, and does, occur over the course of only a few minutes. 5/ An importer reiterated this

---

1/ \* \* \*.

2/ \* \* \*.

3/ Countervailing duty petition, pp. 123-4.

4/ Carnations and chrysanthemums are graded for quality on factors such as stem length and size of the bloom. Higher grades bring higher prices. The grading standards are not governmentally imposed, but were adopted by the Society of American Florists and are used voluntarily. Grading techniques vary, for imports, between ports in California and Florida. (Conversation with Mr. Fred Teensma, USDA Federal-State Market News Service).

5/ Conversation with \* \* \*, May 22, 1986.

point, stating that flowers sold around a holiday will command a premium price no matter what quantity is available. 1/

Lead times for delivery of imported fresh cut flowers average one to three days, with most flowers from South America and the Netherlands arriving within 24 hours from the time the order is placed. Importers reported slightly longer lead times, of 3 to 4 days, for flowers from Israel and Kenya. Flowers arriving from foreign countries must be cleared by the Animal and Plant Health Inspection Service (APHIS) and the U.S. Customs Service in the port of entry before being transported to the importers' warehouse. This clearing process normally takes from 2 to 4 hours.

Price trends.--Price trends are based on data published by the USDA in Ornamental Crops National Market Trends, a weekly report on the flower and foliage industry. Data in the report cover standard and miniature carnations, standard and pompom chrysanthemums, and gypsophila. Domestic prices quoted in the report are compiled from information obtained by regional offices of the USDA. These regional offices, located in California and Florida, collect weekly data through telephone surveys of high volume shippers. Import prices are reported f.o.b. Miami, for sales of imported fresh cut flowers from Colombia, Costa Rica, Guatemala and Peru, based on a weekly sample of prices received on sales of cut flowers by high-volume shippers in the Miami area. Figures 1 through 5 were developed by plotting the low price reported for the first full week of each month, January 1984-March 1986. 2/

Figures 1 through 5 demonstrate the wide monthly price fluctuations in the fresh cut flower industry. For this reason, there is no apparent trend for any of the subject flowers. Price fluctuations were extreme during all years, for all flower types. Table 16 shows, for each type of flower in 1984 and 1985, the low and high USDA-reported prices, as well as the percent difference between the two prices.

Price increases occurred during the first, second and fourth quarters, with the sharpest rises occurring, in most instances, during February and May. Import prices tended to move similarly to those of domestic growers during the peak periods and remained below domestic grower prices during off-peak periods. This trend is most evident for carnations, miniature carnations, chrysanthemums, and pompom chrysanthemums (figures 1 through 4). Gypsophila prices are the exception, with prices of imports remaining above those of domestic growers in all but a few months.

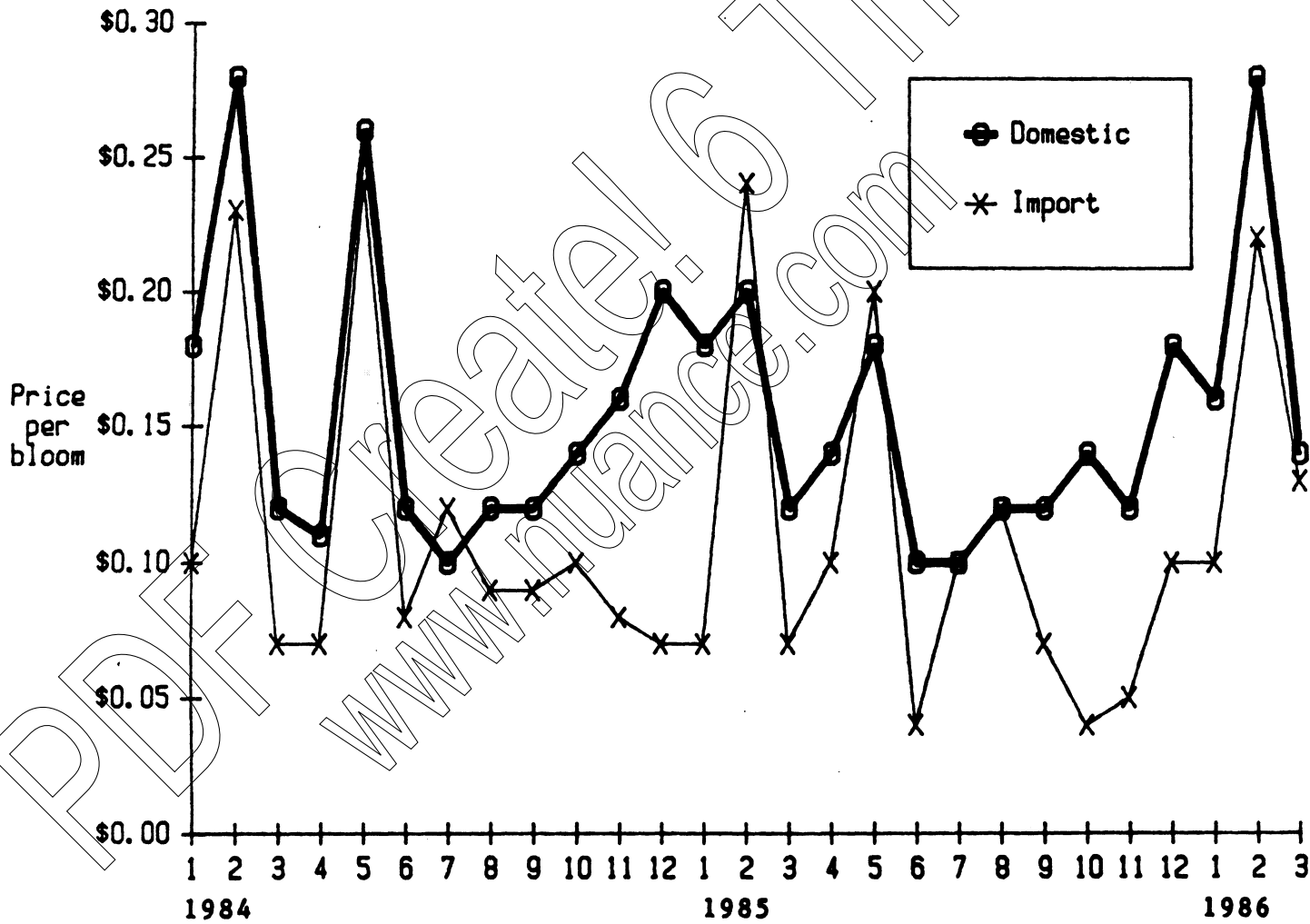
---

1/ Conversation with \* \* \*, June 10, 1986

2/ Plotting high prices as reported in Ornamental Crops National Market Trends showed similar overall trends to those revealed by plotting low prices. High and low prices are shown in app. F.

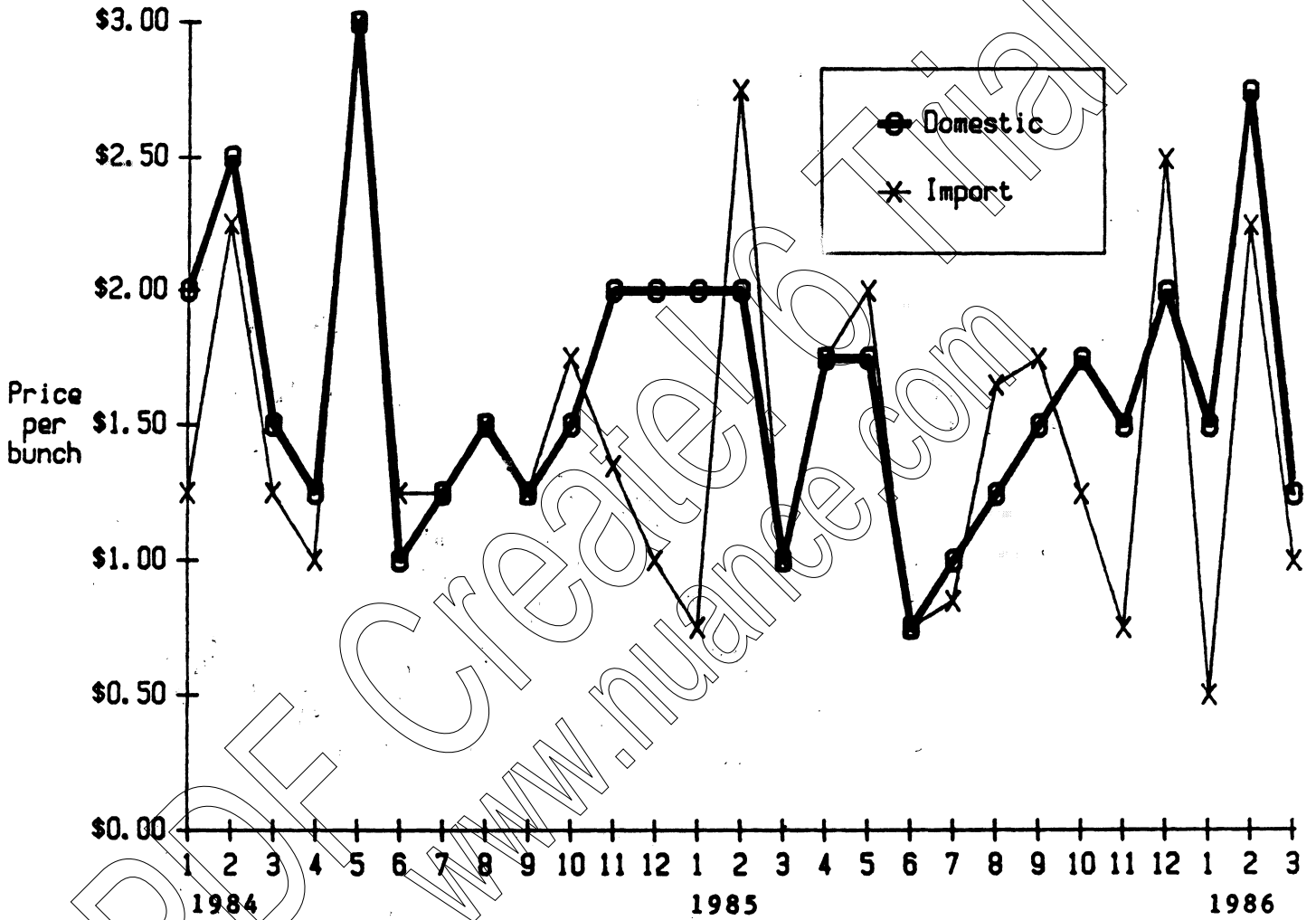


Figure 1.--Standard carnations: U.S. grower and import prices, by months, January 1984-March 1986



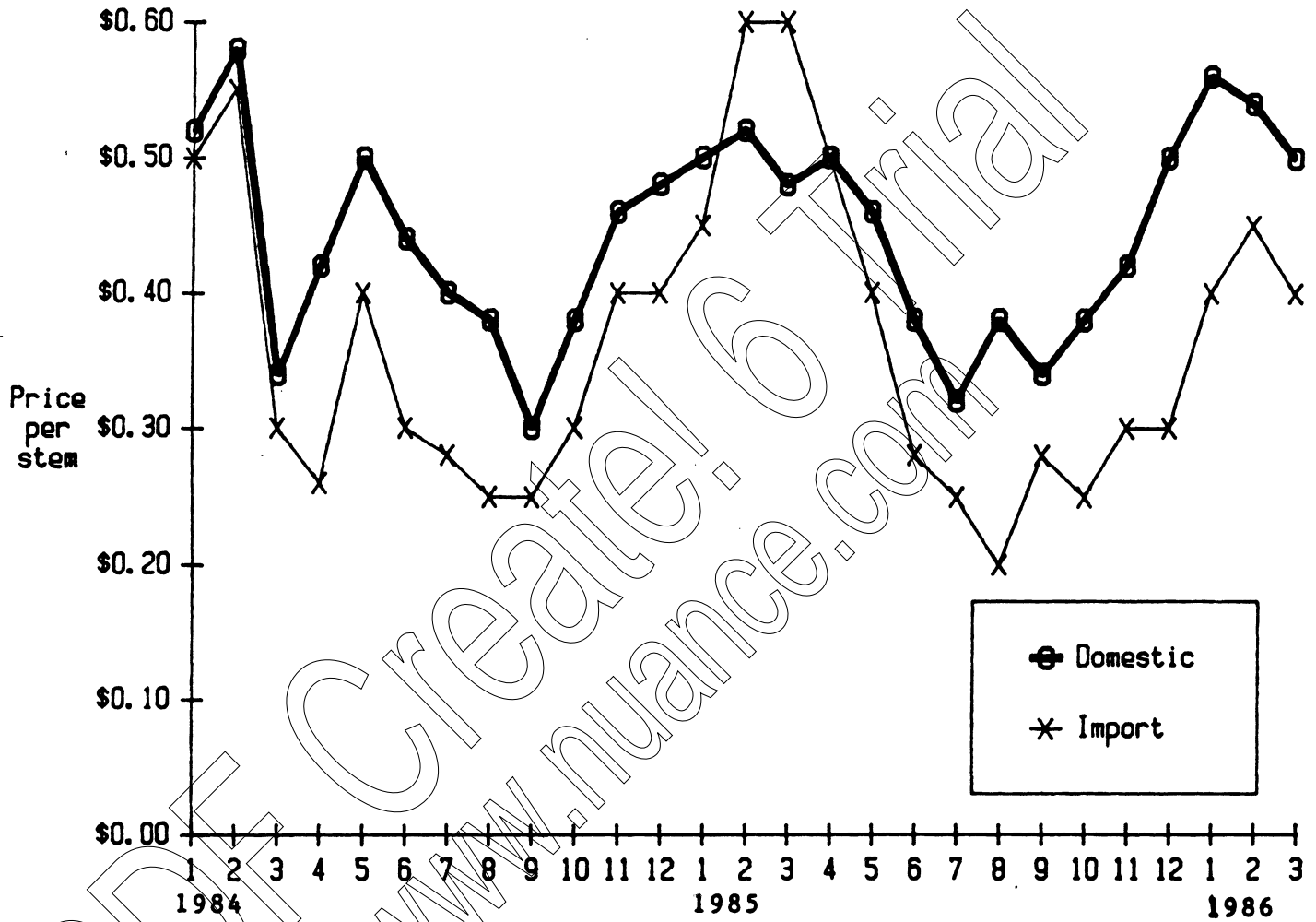
Source: Compiled from official statistics of the U.S. Department of Agriculture.

Figure 2.--Miniature carnations: U.S. grower and import prices, by months, January 1984-March 1986



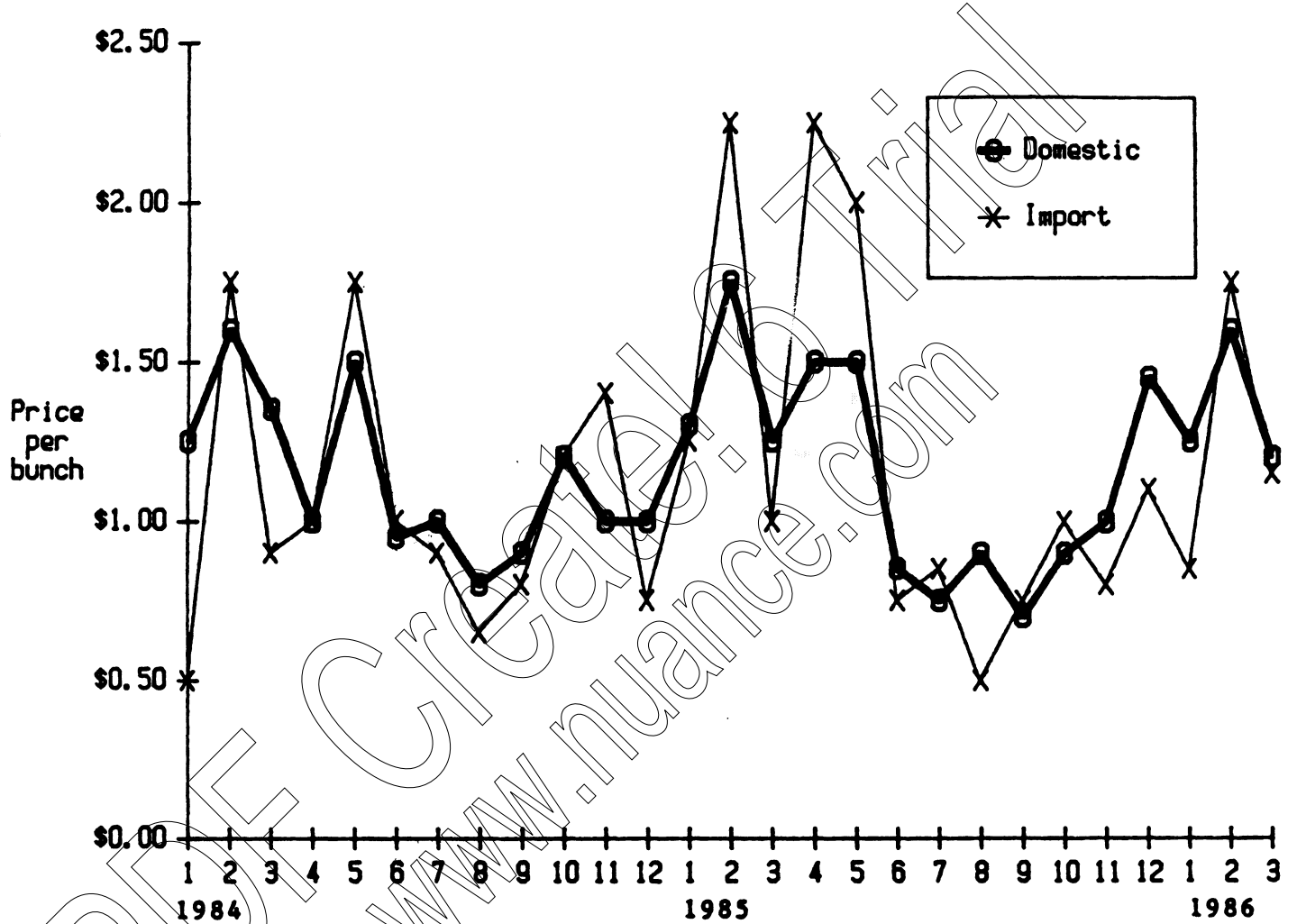
Source: Compiled from official statistics of the U.S. Department of Agriculture.

Figure 3.--Standard chrysanthemums: U.S. grower and import prices, by months, January 1984-March 1986



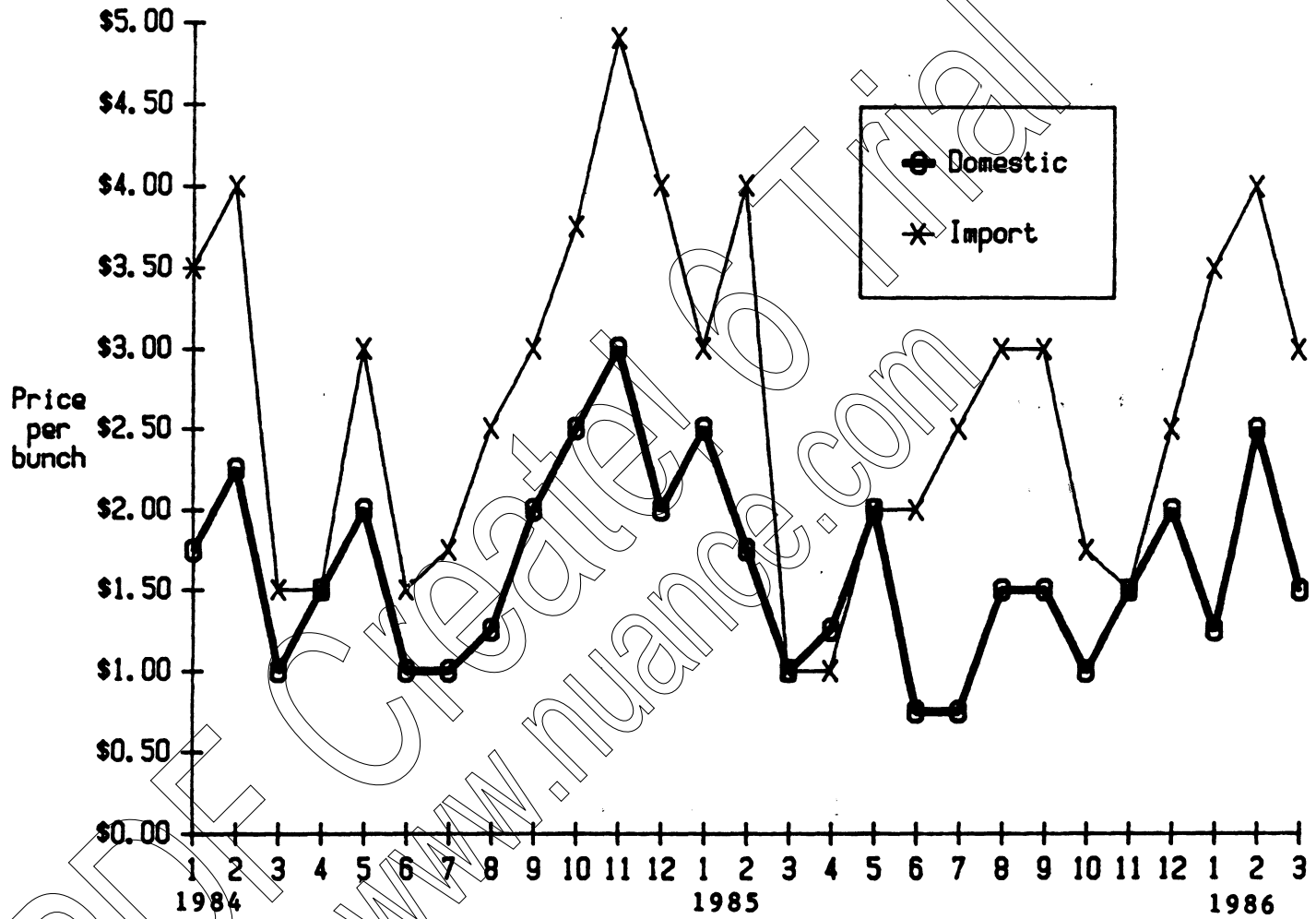
Source: Compiled from official statistics of the U.S. Department of Agriculture.

Figure 4.--Pompon chrysanthemums: U.S. grower and import prices, by months, January 1984-March 1986



Source: Compiled from official statistics of the U.S. Department of Agriculture.

Figure 5.--Gypsophila: U.S. grower and import prices, by months, January 1984-March 1986



Source: Compiled from official statistics of the U.S. Department of Agriculture.

Table 16.--Certain fresh cut flowers: High and low annual prices for selected flowers, compiled from prices for the first full week of each month, 1984-85

Item	U.S. production		Imports	
	1984	1985	1984	1985
Standard carnations: <u>1/</u>				
High.....	\$0.30	\$0.28	\$0.28	\$0.27
Low.....	.10	.10	.07	.04
Change from low to high.....percent..	200	180	300	575
Minature carnations: <u>2/</u>				
High.....	3.50	3.00	3.00	2.75
Low.....	1.00	.75	1.00	.75
Change from low to high.....percent..	250	300	200	267
Standard chrysanthemums: <u>1/</u>				
High.....	.58	.56	.60	.60
Low.....	.30	.32	.25	.25
Change from low to high.....percent..	93	75	140	140
Pompom chrysanthemums: <u>2/</u>				
High.....	2.35	2.25	2.50	2.25
Low.....	.80	.75	.50	.50
Change from low to high.....percent..	194	200	400	350
Gypsophila: <u>2/</u>				
High.....	3.25	3.50	5.35	4.50
Low.....	1.00	.75	1.50	1.00
Change from low to high.....percent..	225	367	257	350

1/ Price per bloom/stem.

2/ Price per bunch.

Source: Compiled from official statistics of the U.S. Department of Agriculture.

Price comparisons. 1/--Prices for the seven fresh cut flowers subject to investigation are presented in tables 17 through 23. All domestic and import prices are based on a limited number of observations, since all growers and importers do not handle all types of flowers. Pricing data were received from

1/ Commission questionnaires requested pricing information on each of the seven flowers specified in the petitions underlying these investigations, for standing order sales, spot sales, and consignment sales. Domestic growers and importers were asked to submit an average price, net of packing ("box")

Footnote continued on next page.

U.S. producers accounting for less than 10 percent of 1985 shipments; coverage for imports varies by country of origin.

Prices were requested for specific weeks during a high demand period (February) and a low demand period (August or December). Weekly prices, rather than monthly or quarterly prices, give a better indication of price fluctuations caused by seasonal demands. Quarterly and monthly weighted averages would tend to understate such price movements.

U.S. growers' prices.--Domestic standard carnation growers reported prices for both spot and consignment sales during the 1983-1986 period. While prices for both types of sales fluctuated over comparable periods (i.e., February 1983-February 1986), spot prices showed an overall increase from 1983 to 1986, while consignment prices were down slightly.

Prices for miniature carnations in February 1986 were higher than those reported for February 1983 for all three types of sales. While prices reported for August were lower than February prices, these off-peak prices also showed overall increases from previous years.

Domestic growers reported standard chrysanthemum prices for standing order sales for February, August and December and consignment prices for

---

Footnote continued from previous page.

charges, freight and insurance, for all sales that occurred during the first full weeks of February and August 1983-86. Florida growers and importers were requested to provide prices for the first full week of December rather than August, because extreme temperatures prevent Florida growers from producing during the summer months. Growers and importers agreed that sales during this week in February would command a premium price due to increased demand for Valentine's Day, while the August and December weeks would represent sales during periods of limited demand and low price, thus demonstrating sales at high and low annual prices during any given year.

Usable price data were received from 15 domestic producers accounting for approximately \*\*\* percent of 1985 U.S. shipments, and from 27 importers. No questionnaires reporting imports of the subject flowers from Canada, Israel, or Mexico were received. Countries for which prices were collected, and the number of importers reporting prices from these countries are provided in the following tabulation:

<u>Country</u>	<u>Number of importers responding</u>
Chile.....	1
Colombia.....	21
Costa Rica.....	5
Ecuador.....	5
Kenya.....	1
Netherlands.....	5
Peru.....	2

Table 17.--Standard carnations: Weighted-average prices for spot sales and consignment sales, as reported by U.S. growers and importers, for the first full week of February 1983-86, August 1983-85, and December 1983-85

(In dollars per bloom)										
Country	1983			1984			1985			1986
	Feb.	Aug.	Dec.	Feb.	Aug.	Dec.	Feb.	Aug.	Dec.	Feb.
<b>Spot sales</b>										
United States.....	***	***	-	***	***	-	***	***	-	***
Chile.....	-	-	-	***	-	***	***	-	***	***
Colombia.....	0.22	-	0.14	0.22	-	0.11	0.19	-	0.10	0.22
Costa Rica.....	-	***	***	***	***	***	***	-	***	***
Ecuador.....	-	-	-	-	-	-	***	-	***	***
Kenya.....	***	-	-	***	-	-	***	-	-	***
<b>Consignment sales</b>										
United States.....	***	***	-	***	***	-	***	***	-	***
Colombia.....	-	-	***	-	-	***	-	-	-	-

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 18.--Miniature carnations: Weighted-average prices for standing order sales, spot sales, and consignment sales, as reported by U.S. growers and importers, for the first full week of February 1983-86, August 1983-85, and December 1983-85

(In dollars per bunch)										
Country	1983			1984			1985			1986
	Feb.	Aug.	Dec.	Feb.	Aug.	Dec.	Feb.	Aug.	Dec.	Feb.
<b>Standing order sales</b>										
United States.....	***	-	-	***	-	***	***	-	***	***
Colombia.....	***	-	***	***	-	2.03	2.40	-	1.92	2.22
Costa Rica.....	-	-	-	-	-	-	***	-	***	-
Peru.....	***	-	***	***	-	***	***	-	***	***
<b>Spot sales</b>										
United States.....	***	***	-	***	***	-	***	***	-	***
Colombia.....	2.14	-	1.71	1.69	-	1.29	2.22	-	1.42	2.03
Costa Rica.....	***	-	-	-	-	***	***	-	***	***
Ecuador.....	-	-	-	-	-	-	***	-	***	***
Kenya.....	***	-	-	***	-	-	***	-	-	***
Netherlands.....	-	***	-	-	-	***	-	***	-	-
Peru.....	***	-	-	***	-	-	***	-	***	***
<b>Consignment sales</b>										
United States.....	***	***	-	***	***	-	***	***	-	***
Colombia.....	-	-	-	-	-	***	-	-	-	-
Netherlands.....	-	-	-	-	-	-	-	-	-	***

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.



Table 19.--Standard chrysanthemums: Weighted-average prices for standing order sales and spot sales, as reported by U.S. growers and importers, for the first full week of February 1983-86, August 1983-85, and December 1983-85

(In dollars per stem)

Country	1983			1984			1985			1986
	Feb.	Aug.	Dec.	Feb.	Aug.	Dec.	Feb.	Aug.	Dec.	Feb.
	Standing order sales									
United States.....	***	***	***	***	***	***	***	***	***	***
Colombia.....	***	-	***	***	-	0.42	0.41	-	0.41	0.41
	Spot sales									
United States.....	***	***	-	***	***	-	***	***	-	***
Colombia.....	***	-	***	***	-	***	***	-	***	***
Netherlands.....	-	-	-	-	-	-	-	-	***	-

Source: Compiled from data submitted in response to questionnaires from the U.S. International Trade Commission.

Table 20.--Pompom chrysanthemums: Weighted-average prices for standing order sales, spot sales, and consignment sales, as reported by U.S. growers and importers, for the first full week of February 1983-86, August 1983-85, and December 1983-85

(In dollars per bunch)

Country	1983			1984			1985			1986
	Feb.	Aug.	Dec.	Feb.	Aug.	Dec.	Feb.	Aug.	Dec.	Feb.
	Standing order sales									
United States.....	***	***	***	***	***	***	***	***	***	***
Colombia.....	1.60	-	1.72	1.65	-	1.66	1.52	-	1.44	1.41
	Spot sales									
United States.....	***	***	-	***	***	-	***	***	-	***
Colombia.....	1.55	-	1.24	1.82	-	1.23	1.75	-	1.02	1.65
Costa Rica.....	***	-	***	***	-	***	***	***	***	***
Ecuador.....	***	-	***	***	-	-	-	-	***	***
Peru.....	***	-	-	***	-	-	***	-	-	***
	Consignment sales									
United States.....	***	***	***	***	***	***	***	***	***	***
Colombia.....	-	-	***	-	-	***	-	-	***	***
Ecuador.....	-	-	-	-	-	-	-	-	-	***

Source: Compiled from data submitted in response to questionnaires from the U.S. International Trade Commission.

Table 21.-Alstroemeria: Weighted-average prices for standing order sales and spot sales, as reported by U.S. growers and importers, for the first full week of February 1983-86, August 1983-85, and December 1983-85

(In dollars per bunch of ten)

Country	1983			1984			1985			1986
	Feb.	Aug.	Dec.	Feb.	Aug.	Dec.	Feb.	Aug.	Dec.	Feb.
	Standing order sales									
United States.....	***	***	-	***	***	-	***	***	-	***
Colombia.....	-	-	***	***	-	***	***	-	***	***
	Spot sales									
United States.....	***	***	-	***	***	-	***	***	-	***
Colombia.....	4.75	-	2.33	4.42	-	2.39	3.99	-	2.60	2.90
Netherlands.....	***	***	-	***	***	***	***	***	-	-

Source: Compiled from data submitted in response to questionnaires from the U.S. International Trade Commission.

Table 22.-Gerberas: Weighted-average prices for standing order sales and consignment sales, as reported by U.S. growers and importers, for the first full week of February 1983-86, August 1983-85, and December 1983-85

\* \* \* \* \*

Table 23.-Gypsophila: Weighted-average prices for standing order sales, spot sales, and consignment sales, as reported by U.S. growers and importers, for the first full week of February 1983-86, August 1983-85, and December 1983-85

(In dollars per bunch)

Country	1983			1984			1985			1986
	Feb.	Aug.	Dec.	Feb.	Aug.	Dec.	Feb.	Aug.	Dec.	Feb.
	Standing order sales									
United States.....	***	-	-	***	-	***	***	-	***	***
Colombia.....	-	-	-	***	-	***	***	-	***	***
Peru.....	-	-	***	***	-	***	***	-	***	***
	Spot sales									
United States.....	***	***	-	***	***	-	***	***	-	***
Colombia.....	3.59	-	3.23	2.98	-	4.61	3.15	-	2.20	3.81
Peru.....	***	-	***	***	-	***	***	-	***	***
	Consignment sales									
United States.....	***	-	-	***	-	***	***	-	***	***
Colombia.....	-	-	-	-	-	-	-	-	***	-

Source: Compiled from data submitted in response to questionnaires from the U.S. International Trade Commission.

February and August. For both types of sales, February prices in 1984 and 1985 were above those reported for 1983, with declines occurring in 1986. Standing order sales in August moved in the opposite direction from sales of the same type in December, with August prices increasing from 1983 to 1984 then decreasing in 1985. December prices decreased from 1983 to 1984, then increased in 1985. August spot sale prices decreased in both 1984 and 1985.

Pompom chrysanthemum prices for February showed overall increases over the 4-year period, for standing order, spot, and consignment sales. August prices showed overall declines during 1983-1985, while December prices decreased for standing orders and increased for consignment sales.

Prices for alstroemeria were reported for standing order and spot sales, during February and August. August prices were lower in 1985 than in 1983 for both types of sales. February prices for standing orders were higher during 1984-86 than in 1983, although 1986 prices fell below those in 1984 and 1985. February spot prices decreased over the period of investigation.

February standing order prices for gerberas remained constant during 1983-1985, then decreased in 1986. February consignment sale prices decreased from 1983 to 1984 and then increased annually through 1986. Standing order prices were reported for December 1984 and 1985, with the 1985 price falling below that of 1984. August consignment sale prices increased annually during 1983-85, while December prices increased from 1984 to 1985.

Domestic growers reported standing order, spot and consignment sales for gypsophila, showing overall increases for February sales for both standing order and spot sales, and decreases for consignment sales. August spot prices increased from 1983 to 1984 and then decreased in 1985. December prices, reported only for 1984 and 1985, increased for standing orders and decreased for consignment sales.

Importers' prices.--The following section summarizes pricing information on imports of fresh cut flowers, by country:

--Standard and miniature carnations from Canada: No data were obtained from Commission questionnaires regarding prices of imports from Canada.

--Standard carnations from Chile: \* \* \*. \* \* \*. \* \* \*.

--Standard and miniature carnations, standard and pompom chrysanthemums, alstroemeria, gerberas, and gypsophila from Colombia: Twenty-one importers reported data for Colombian fresh cut flowers. February spot-sale prices for standard carnations were higher than domestic prices in 1983, fell below domestic prices during 1984-1985, and then were equal in 1986. December prices for both spot and consignment sales had no comparable domestic data points.

\* \* \*. Spot sales during February were priced below the domestic flowers throughout the 4-year period. Data for December standing-order sales during 1984 and 1985 indicated a lower priced Colombian product for both years. No comparable data were available for August sales or consignment sales. \* \* \*, while February spot sale prices show the Colombian product priced higher than its domestic counterpart. \* \* \*.

All periods allowing price comparison for standing order and spot sales of pompom chrysanthemums show the Colombian pompoms priced above the domestic pompoms, with the exception of February 1985 and February 1986 for standing order sales. \* \* \*

Alstroemeria prices were reported for standing order and spot sales. \* \* \*. Spot-sale prices for February 1983-February 1985 were higher for the Colombian flower, with this price falling below the domestic price in February 1986.

\* \* \* \* \*

Transportation costs.--Transportation costs for fresh cut flowers are a large part of the final retail cost of delivered flowers. Fresh cut flowers are shipped on a per box basis, with shipping charges varying according to the size of the box as well as the final destination. Armellini Express Lines, a Florida trucking company for the flower industry, 1/ reported that they currently have more than 100 different box sizes for shipping flowers out of Miami. Different cities use different box sizes. A company spokesman said that 70 percent of their customers now ship in a box that is 41"x21"x7", and that they hope to make this the standard size. Standardization would allow Armellini to be more efficient in terms of stacking boxes and filling trucks.

Since cut flowers are a perishable good, it is important that flowers be transported under controlled temperatures and in an environment free of pollutants. Exhaust fumes at airport and truck terminals, as well as variations in temperatures, will damage flowers being held in the immediate area.

Listed in the tabulation below are freight charges, for specific types of cut flowers, from the Miami area to selected cities served by several large Florida trucking companies that specialize in flowers. 2/

<u>Destination</u>	<u>Miniature Carnations</u> <u>1/</u>	<u>Standard Chrysan-themums</u> <u>2/</u>	<u>Pompom chrysan-themums</u> <u>3/</u>	<u>Gypsophila</u> <u>4/</u>
New York City..	\$5.57	\$5.51	\$7.05	\$4.02
Boston.....	5.85	5.95	8.22	4.63
Indianapolis...	-	5.90	7.77	4.41
Detroit.....	5.57	6.28	8.22	4.74
Saginaw.....	-	6.67	8.55	4.91
Minneapolis....	6.73	7.33	9.42	5.35
Kansas City....	-	6.12	8.07	4.84

- 1/ Box size- 25"x13"x13", 10 bunches per box.
- 2/ Box size- 48"x20"x6", 100 stems per box.
- 3/ Box size- 48"x20"x8", 35 bunches per box.
- 4/ Box size- 25"x13"x13", 15 bunches per box.

---

1/ Transcript of the conference, p. 38.  
2/ Florida has recently added a 3 percent freight insurance surcharge. Prices for chrysanthemums, pompom chrysanthemums and gypsophila do not reflect this increase.

When examined on a per bloom or per bunch basis, these box charges indicate the magnitude of the transportation costs in the overall delivered price of fresh cut flowers. For miniature carnations, shipping costs will range from \$0.56 to \$0.67 per bunch. The weighted-average price for domestically produced miniature carnations in February 1986 was \$2.25 per bunch; therefore, shipping costs added approximately 25 percent to the cost of the flower. Box charges for chrysanthemums ranged from \$0.06 to \$0.07 per stem. Pompom chrysanthemum box charges ranged from \$0.20 to \$0.27 per bunch, and gypsophila charges ranged from \$0.27 to \$0.36 per bunch.

#### Exchange rates

Exchange rate indices of the Canadian dollar, the Chilean peso, the Colombian peso, the Ecuadorean sucre, the Israeli shekel, the Mexican peso, and the Netherlands guilder indicate that during the interval January 1983-March 1986 the quarterly nominal value of the Netherlands guilder advanced by 0.5 percent against the U.S. dollar whereas the respective value of the currencies of Canada, Chile, Colombia, Ecuador, Israel, and Mexico depreciated 20.4 percent, 67.6 percent, 59.2 percent, 64.9 percent, 97.5 percent, and 68.5 percent relative to the U.S. dollar. Quarterly exchange rate and producer price data pertaining to the countries supplying the products covered in these investigations are presented in table 24.

The level of inflation was slightly higher in Canada than in the United States over the 12-quarter period ended December 1985, whereas levels of inflation in the Netherlands were similar to those in the United States. Therefore, changes in the real value of the Canadian dollar and the Netherlands guilder were not significantly different from changes in the nominal value. In contrast, the high levels of inflation in Chile, Colombia, Ecuador, and Israel over the same period resulted in the devaluation of the currencies of each of the aforementioned countries in real terms by 28.0 percent, 28.1 percent, 18.1 percent, and 12.9 percent relative to the U.S. dollar--significantly less than the respective apparent depreciations of 66.1 percent, 56.2 percent, 55.8 percent, and 97.5 percent represented by the commensurate nominal devaluation.

Mexico's very high inflation rate relative to that in the United States offset the impact of depreciating nominal exchange rates during most of the period. The real exchange rate appreciated sharply during the period January 1983 through June 1985 by 94.0 percent and then declined by a significant proportion--51.2 percentage points. This compares with an overall apparent depreciation through March 1986 of 68.5 percent suggested by the nominal exchange rate.

Reliable data for Kenya, Peru, and Costa Rica are not available. Therefore, accurate measures of the real value of those currencies as discussed in this section cannot be calculated.

Table 24.--Exchange rates: 1/ Nominal-exchange-rate equivalents of selected currencies in U.S. dollars, real-exchange-rate equivalents, and producer price indicators in specified countries 2/ indexed by quarters, January 1983-March 1986

Period	U.S.			Canada			Chile			Colombia			Ecuador		
	Pro-ducer Price Index	Nominal-exchange rate index	Real-exchange rate index 3/	Pro-ducer Price Index	Nominal-exchange rate index	Real-exchange rate index 3/	Pro-ducer Price Index	Nominal-exchange rate index	Real-exchange rate index 3/	Pro-ducer Price Index	Nominal-exchange rate index	Real-exchange rate index 3/	Pro-ducer Price Index	Nominal-exchange rate index	Real-exchange rate index 3/
	---Dollars/Cans---			---Dollars/peso---			---Dollars/peso---			---Dollars/peso---			---Dollars/sucre---		
1983:															
Jan.-Mar...	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Apr.-June..	100.3	99.7	101.0	108.2	94.3	101.8	101.8	94.5	101.3	111.7	78.0	86.9	120.3	71.8	85.3
July-Sept..	101.3	99.5	100.7	120.0	89.1	105.5	105.5	89.2	97.2	123.1	65.4	79.2	123.1	65.4	79.2
Oct.-Dec...	101.8	99.1	100.1	125.2	83.6	102.8	102.8	83.8	93.4						
1984:															
Jan.-Mar...	102.9	97.7	99.3	125.1	82.8	100.7	118.6	78.8	90.8	129.6	60.1	75.7	144.2	51.7	72.2
Apr.-June..	103.6	94.9	96.9	132.6	79.0	101.1	125.6	74.0	89.8	134.4	55.6	72.2	144.2	51.7	72.2
July-Sept..	103.3	93.3	96.1	141.2	76.8	105.0	130.4	69.5	87.7	151.8	50.5	74.4	151.8	50.5	74.4
Oct.-Dec...	103.0	93.0	96.3	164.6	68.4	109.2	135.7	65.3	86.0						
1985:															
Jan.-Mar...	102.9	90.6	95.1	181.3	64.3	113.2	145.0	60.7	86.1	163.8	50.5	80.4	163.8	50.5	80.4
Apr.-June..	103.0	89.6	94.4	197.4	59.9	114.9	158.1	53.3	81.8	175.2	50.5	85.9	175.2	50.5	85.9
July-Sept..	102.2	90.2	95.9	211.3	36.7	71.1	164.4	48.0	77.2	187.2	44.2	81.9	187.2	44.2	81.9
Oct.-Dec...	102.9	88.9	94.7	218.3	33.9	72.0	168.9	43.8	71.9	190.6	44.2	81.9	190.6	44.2	81.9
1986:															
Jan.-Mar....	101.3	4/	5/	225.2	32.4	5/	72.0	40.8	4/	4/	35.1	4/	4/	35.1	4/

See footnotes at end of table.

Table 24 --Exchange rates: 1/ Nominal-exchange-rate equivalents of selected currencies in U.S. dollars, real-exchange-rate equivalents, and producer price indicators in specified countries 2/ indexed by quarters, January 1983-March 1986--Continued

Period	U.S.			Israel			Mexico			Netherlands		
	Pro-ducer Price Index	Nominal-exchange rate index	Real-exchange rate index 3/	Pro-ducer Price Index	Nominal-exchange rate index	Real-exchange rate index 3/	Pro-ducer Price Index	Nominal-exchange rate index	Real-exchange rate index 3/	Pro-ducer Price Index	Nominal-exchange rate index	Real-exchange rate index 3/
		Dollars/shekel			Dollars/peso			Dollars/guilder			Dollars/guilder	
1983:												
Jan.-Mar...	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Apr.-June..	100.3	121.3	102.5	121.3	100.1	121.1	100.3	95.3	100.3	95.3	95.4	95.4
July-Sept..	101.3	151.8	99.1	137.0	100.2	135.5	101.8	90.0	101.8	90.0	90.4	90.4
Oct.-Dec...	101.8	234.4	94.6	152.0	95.7	142.9	102.0	88.6	102.0	88.6	88.7	88.7
1984:												
Jan.-Mar...	102.9	346.2	94.6	181.1	88.9	156.5	104.4	87.4	104.4	87.4	88.7	88.7
Apr.-June..	103.6	507.5	93.5	209.4	83.0	167.8	105.1	87.3	105.1	87.3	88.5	88.5
July-Sept..	103.3	804.9	91.9	227.1	77.8	171.1	105.7	80.9	105.7	80.9	82.7	82.7
Oct.-Dec...	103.0	1358.8	89.8	251.5	73.2	178.7	105.9	77.3	105.9	77.3	79.5	79.5
1985:												
Jan.-Mar...	102.9	1724.1	83.9	283.8	68.3	188.3	106.8	72.3	106.8	72.3	75.0	75.0
Apr.-June..	103.0	2343.4	82.3	317.0	63.0	194.0	107.6	76.3	107.6	76.3	79.8	79.8
July-Sept..	102.2	3363.0	81.2	343.5	44.2	148.6	107.0	83.0	107.0	83.0	86.9	86.9
Oct.-Dec...	102.9	3614.7	87.1	390.5	33.0	125.3	106.3	91.4	106.3	91.4	7/ 94.3	7/ 94.3
1986:												
Jan.-Mar....	101.3	5/ 3753.5	2.47	5/ 91.5	6/ 459.5	31.5	6/ 142.8	4/ 100.5	4/ 100.5	4/ 100.5	4/ 100.5	4/ 100.5

1/ Exchange rates expressed in U.S. dollars per unit of foreign currency.

2/ Producer price indicators--intended to measure final product prices--are based on average quarterly indexes presented in line 63 of International Financial Statistics.

3/ The real value of a currency is the nominal value adjusted for the difference between inflation rates as measured here by the Producer Price Index in the United States and the respective foreign country. Producer prices in the United States increased 2.9 percent between January 1983 and December 1985 compared with increases of 9.4 percent in Canada, 118.3 percent in Chile, 68.9 percent in Colombia, 90.6 percent in Ecuador, 3,514.7 percent in Israel, 290.5 percent in Mexico, and 6.3 percent in the Netherlands during the same period.

4/ Not available.

5/ Derived from Chilean and Israeli producer price data for January and February only.

6/ Derived from Mexican producer price data for January only.

7/ Derived from Netherlands producer price data for October and November only.

Source: International Monetary Fund, International Financial Statistics, June 1986.

Note.--January-March 1983=100.0.

PDF Create! 6 Trial  
www.nuance.com



APPENDIX A

MATRIX OF IMPORTS UNDER INVESTIGATION, COUNTRIES, AND INVESTIGATION NUMBERS

PDF Creator Trial  
www.nuance.com

Table A-1.--Certain fresh cut flowers: Information on countries and products subject to investigation.

Country	Under agreement	Rate of duty 1/	Section 303 Inter-national obligations 3/	CVD Inv. No.	AD Inv. No.	Flowers included					Gypso-phila		
						701-TA-275	731-TA-327	Std carn	Mini carn	Std mum		Pompon mum	Alstroemia
Canada.....	Yes	Col. 1	GATT	701-TA-275	731-TA-327	X	X						
Chile.....	Yes	Free (GSP)	GATT	701-TA-276	731-TA-328	X							
Colombia.....	No	Col. 1 (GSP) 3/	GATT	2/	731-TA-329	X	X	X	X	X	X	X	X
Costa Rica....	No	Free (GSP, CBENA)	None	2/	731-TA-330	X	X			X			
Ecuador.....	No	Free (GSP)	None	2/	731-TA-331	X	X	X		X			
Israel.....	Yes	Free (1) 5/	GATT	701-TA-277	4/		X					X	
Kenya.....	No	Free (GSP)	GATT	303-TA-17	731-TA-332	X	X						
Mexico.....	Yes	Free (GSP)	GATT	4/	731-TA-333	X		X		X			
Netherlands..	Yes	Col. 1	GATT	701-TA-278	4/	X	X			X	X		
Peru.....	No	Free (GSP)	GATT	303-TA-18	731-TA-334	X	X			X		X	X

1/ The column 1 rate of duty is 4 percent ad valorem for miniature carnations and 8 percent for all other listed flowers.

2/ Not applicable; these countries are not "under the agreement" pursuant to section 701(b) of the Act and are not accorded an injury test under section 303 of the Act.

3/ See TSUS Headnotes 3(e)(v)(C) and (D).

4/ Not applicable; a petition was not filed with respect to this country.

5/ See TSUS Headnote 3(e)(viii).

APPENDIX B  
FEDERAL REGISTER NOTICES

PDF Create 6 Trial  
www.nuance.com

**SUMMARY:** The Commission hereby gives notice of the institution of preliminary countervailing duty investigations Nos. 303-TA-17 and 18 (Preliminary) under section 303 of the Tariff Act of 1930 (19 U.S.C. 1303) and Nos. 701-TA-275 through 278 (Preliminary) under section 703(a) of the Tariff Act of 1930 (19 U.S.C. 1671b(a)) to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports of certain fresh cut flowers which are alleged to be subsidized by governments of the following countries:

Canada \* [Investigation No. 701-TA-275 (Preliminary)].

Chile \* [Investigation No. 701-TA-276 (Preliminary)].

Israel \* [Investigation No. 701-TA-277 (Preliminary)].

Kenya \* [Investigation No. 303-TA-17 (Preliminary)].

The Netherlands \* [Investigation No. 701-TA-278 (Preliminary)], and Peru \* [Investigation No. 303-TA-18 (Preliminary)].

The Commission also gives notice of the institution of preliminary antidumping investigations Nos. 731-TA-327 through 334 (Preliminary) under section 733(a) of the Tariff Act of 1930 (19 U.S.C. 1673b(a)) to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from the following countries of certain fresh cut flowers which are alleged to be sold in the United States at less than fair value:

\* Fresh cut flowers from Canada subject to investigation include miniature (spray) carnations and standard carnations, provided for in items 192.17 and 192.21, respectively, of the Tariff Schedules of the United States (TSUS).

\* Fresh cut flowers from Chile subject to investigation include standard carnations, provided for in item 192.21 of the TSUS.

\* Fresh cut flowers from Israel subject to investigation include miniature (spray) carnations and gerbera, provided for in items 192.17 and 192.21, respectively, of the TSUS.

\* Fresh cut flowers from Kenya subject to investigation include miniature (spray) carnations and standard carnations, provided for in items 192.17 and 192.21, respectively, of the TSUS.

\* Fresh cut flowers from the Netherlands subject to investigation include miniature (spray) carnations (TSUS item 192.17), and standard chrysanthemums, alstroemeria, and gerbera, provided for in item 192.21 of the TSUS.

\* Fresh cut flowers from Peru subject to investigation include miniature (spray) carnations (TSUS item 192.17), and pompon chrysanthemums and gypsophila, provided for in item 192.21 of the TSUS.

#### INTERNATIONAL TRADE COMMISSION

(Investigations Nos. 303-TA-17 and 18, 701-TA-275 through 278, and 731-TA-327 through 334 (Preliminary))

**Certain Fresh Cut Flowers from Canada, Chile, Colombia, Costa Rica, Ecuador, Israel, Kenya, Mexico, the Netherlands, and Peru**

**AGENCY:** International Trade Commission.

**ACTION:** Institution of preliminary countervailing duty and antidumping investigations and scheduling of a conference to be held in connection with the investigations.<sup>1</sup>

<sup>1</sup> A prior notice of institution and scheduling of a conference was mailed to all persons on the Commission's mailing list, was made available to all those requesting copies, and was posted in the Commission on May 28, 1986. That notice incorrectly assigned the following investigation numbers: Colombia [Investigation No. 701-TA-277 (Preliminary)]; Costa Rica [Investigation No. 303-TA-17 (Preliminary)]; Ecuador [Investigation No. 303-TA-18 (Preliminary)]; Israel [Investigation No. 701-TA-276 (Preliminary)]; Kenya [Investigation No. 701-TA-278 (Preliminary)]; the Netherlands [Investigation No. 701-TA-280 (Preliminary)]; and Peru [Investigation No. 701-TA-281 (Preliminary)].

Canada \* [Investigation No. 731-TA-327 (Preliminary)].  
 Chile \* [Investigation No. 731-TA-328 (Preliminary)].  
 Colombia \* [Investigation No. 731-TA-329 (Preliminary)].  
 Costa Rica \* [Investigation No. 731-TA-330 (Preliminary)].  
 Ecuador <sup>10</sup> [Investigation No. 731-TA-331 (Preliminary)].  
 Kenya \* [Investigation No. 731-TA-332 (Preliminary)].  
 Mexico <sup>11</sup> [Investigation No. 731-TA-333 (Preliminary)], and Peru \* [Investigation No. 731-TA-334 (Preliminary)].

As provided in sections 303, 703(a) and 733(a), the Commission must complete preliminary countervailing duty and antidumping investigations in 45 days, or in these cases by July 7, 1986.

For further information concerning the conduct of these investigations and rules of general application, consult the Commission's Rules of Practice and Procedure, Part 207, Subparts A and B (19 CFR Part 207), and Part 201, Subparts A through E (19 CFR Part 201).

**EFFECTIVE DATE:** May 21, 1986.

**FOR FURTHER INFORMATION CONTACT:** Lawrence Rausch (202-523-0300) or Daniel Dwyer (202-523-4616), Office of Investigations, U.S. International Trade Commission, 701 E Street NW., Washington, DC 20436. Hearing-impaired individuals are advised that information on this matter can be obtained by contacting the Commission's TDD terminal on 202-724-0002.

**SUPPLEMENTARY INFORMATION:**

**Background**

These investigations are being instituted in response to a petition filed on May 21, 1986 by Floral Trade Council, Davis, California.

**Participation in the Investigations**

Persons wishing to participate in these investigations as parties must file an entry of appearance with the Secretary

\* Fresh cut flowers from Colombia subject to investigation include miniature (spray) carnations (TSUS item 192.17), and standard carnations, standard chrysanthemums, asteromeria, gerbers, and gypsophila, provided for in item 192.21 of the TSUS.

\* Fresh cut flowers from Costa Rica subject to investigation include miniature (spray) carnations (TSUS item 192.17), and standard carnations and pompon chrysanthemums, provided for in item 192.21 of the TSUS.

<sup>10</sup> Fresh cut flowers from Ecuador subject to investigation include miniature (spray) carnations (TSUS item 192.17), and standard carnations, standard chrysanthemums, and pompon chrysanthemums, provided for in item 192.21 of the TSUS.

<sup>11</sup> Fresh cut flowers from Mexico subject to investigation include standard carnations, standard chrysanthemums, pompon chrysanthemums, provided for in item 192.21 of the TSUS.

to the Commission, as provided in § 201.11 of the Commission's rules (19 CFR 201.11), not later than seven (7) days after publication of this notice in the Federal Register. Any entry of appearance filed after this date will be referred to the Chairwoman, who will determine whether to accept the late entry for good cause shown by the person desiring to file the entry.

**Service List**

Pursuant to § 201.11(d) of the Commission's rules (19 CFR 201.11(d)), the Secretary will prepare a service list containing the names of addressees of all persons, or their representatives, who are parties to these investigations upon the expiration of the period for filing entries of appearance. In accordance with §§ 201.16(c) and 207.3 of the rules (19 CFR 201.16(c) and 207.3), each document filed by a party to the investigation must be served on all other parties to the investigations (as identified by the service list), and a certificate of service must accompany the document. The Secretary will not accept a document for filing without a certificate of service.

**Conference**

The Commission's Director of Operations has scheduled a conference in connection with these investigations for 9:30 a.m. on June 13, 1986 at the U.S. International Trade Commission Building, 701 E Street NW., Washington, DC. Parties wishing to participate in the conference should contact Lawrence Rausch (202-523-0300) or Daniel Dwyer (202-523-4616) not later than June 10, 1986 to arrange for their appearance. Parties in support of the imposition of countervailing or antidumping duties in these investigations and parties in opposition to the imposition of such duties will each be collectively allocated one hour within which to make an oral presentation at the conference.

**Written Submissions**

Any person may submit to the Commission on or before June 17, 1986 a written statement of information pertinent to the subject of these investigations, as provided in § 207.15 of the Commission's rules (19 CFR 207.15). A signed original and fourteen (14) copies of each submission must be filed with the Secretary to the Commission in accordance with § 201.8 of the rules (19 CFR 201.8). All written submissions except for confidential business data will be available for public inspection during regular business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary to the Commission.

Any business information for which confidential treatment is desired must be submitted separately. The envelope and all pages of such submissions must be clearly labeled "Confidential Business Information." Confidential submissions and requests for confidential treatment must conform with the requirements of § 201.6 of the Commission's rules (19 CFR 201.6)

Authority: These investigations are being conducted under authority of the Tariff Act of 1930, title VII. This notice is published pursuant to section 207.12 of the Commission's rules (19 CFR 207.12).

Issued: June 6, 1986.

By order of the Commission.

Kenneth R. Mason,  
 Secretary.

[FR Doc. 86-12862 Filed 6-5-86; 8:45 am]

BILLING CODE 7000-03-M

**International Trade Administration**

(A-122-604)

**Initiation of Antidumping Duty Investigation; Certain Fresh Cut Flowers from Canada****AGENCY:** Import Administration, International Trade Administration, Department of Commerce.**ACTION:** Notice.

**SUMMARY:** On the basis of a petition filed in proper form with the United States Department of Commerce, we are initiating an antidumping duty investigation to determine whether certain fresh cut flowers (cut flowers) from Canada are being, or are likely to be, sold in the United States at less than fair value. We are notifying the United States International Trade Commission (ITC) of this action so that it may determine whether imports of this product materially injure, or threaten material injury to, a United States industry. If this investigation proceeds normally, the ITC will make its preliminary determination on or before July 7, 1986, and we will make our preliminary determination on or before October 28, 1986.

**EFFECTIVE DATE:** June 17, 1986.

**FOR FURTHER INFORMATION CONTACT:** John Brinkmann, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 377-3965.

**SUPPLEMENTARY INFORMATION:****The Petition**

On May 21, 1986, we received a petition in proper form from the Floral Trade Council with respect to cut flowers from Canada. In compliance

with the filing requirements of § 353.36 of the Commerce Regulations (19 CFR 353.36), the petition alleges that imports of the subject merchandise 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 of the Tariff Act of 1930, as amended (the Act), and that these imports materially injure, or threaten material injury to, a United States industry.

#### Initiation of Investigation

Under section 732(c) of the Act, we must determine, within 20 days after a petition is filed, whether the petition sets forth the allegations necessary for the initiation of an antidumping duty investigation, and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petition on cut flowers from Canada and have found that it meets the requirements of section 732(b) of the Act. Therefore, in accordance with section 732 of the Act, we are initiating an antidumping duty investigation to determine whether cut flowers from Canada are being, or are likely to be, sold in the United States at less than fair value.

#### Scope of Investigation

The products covered by this investigation are fresh cut miniature (spray) carnations, currently provided for in item 192.17 of the *Tariff Schedules of the United States* (TSUS), and standard carnations, currently provided for in item 192.21 of the TSUS.

#### United States Price and Foreign Market Value

Petitioner based United States price on the monthly average f.o.b. unit values of cut flower imports as derived from the Bureau of Census import statistics.

Petitioner based foreign market value on the constructed values of cut flowers because it states that it does not have information on home market prices. Petitioner derived the constructed values through the use of United States growers' costs, adjusted for differences between U.S. and Canadian costs for labor.

Based on the comparison of these estimated values, the petitioner alleges average dumping margins ranging from zero to 14.8 percent.

#### Notification of ITC

Section 732(d) of the Act requires us to notify the ITC of this action and to provide it with the information we used to arrive at this determination. We will notify the ITC and make available to it all nonprivileged and nonconfidential information. We will also allow the ITC

access to all privileged and confidential information in our files, provided it confirms that it will not disclose such information either publicly or under an administrative protective order without the consent of the Deputy Assistant Secretary for Import Administration.

#### Preliminary Determination by ITC

The ITC will determine by July 7, 1986, whether there is a reasonable indication that imports of cut flowers from Canada materially injure, or threaten material injury to, a United States industry. If its determination is negative, the investigation will terminate; otherwise, it will proceed according to the statutory and regulatory procedures.

This notice is published pursuant to section 732(c)(2) of the Act.

Gilbert B. Kaplan,  
Deputy Assistant Secretary for Import Administration.

June 10, 1986.

[FR Doc. 86-13635 Filed 6-16-86; 8:45 am]

BILLING CODE 3510-08-M

[A-301-602]

#### Initiation of Antidumping Duty Investigation: Certain Fresh Cut Flowers From Colombia

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

ACTION: Notice.

**SUMMARY:** On the basis of a petition filed in proper form with the United States Department of Commerce, we are initiating an antidumping duty investigation to determine whether certain fresh cut flowers (cut flowers) from Colombia are being, or are likely to be, sold in the United States at less than fair value. We are notifying the United States International Trade Commission (ITC) of this action so that it may determine whether imports of this product materially injure, or threaten material injury to, a United States industry. If this investigation proceeds normally, the ITC will make its preliminary determination on or before July 7, 1986, and we will make our preliminary determination on or before October 28, 1986.

**EFFECTIVE DATE:** June 17, 1986.

**FOR FURTHER INFORMATION CONTACT:** John Brinkmann, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 377-3965.

#### SUPPLEMENTARY INFORMATION:

##### The Petition

On May 21, 1986, we received a petition in proper form from the Floral Trade Council with respect to cut flowers from Colombia. In compliance with the filing requirements of § 353.36 of the Commerce Regulations (19 CFR 353.36), the petition alleges that imports of the subject merchandise from Colombia are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (the Act), and that these imports materially injure, or threaten material injury to, a United States industry.

##### Initiation of Investigation

Under section 732(c) of the Act, we must determine, within 20 days after a petition is filed, whether the petition sets forth the allegations necessary for the initiation of an antidumping duty investigation, and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petition on cut flowers from Colombia and have found that it meets the requirements of section 732(b) of the Act. Therefore, in accordance with section 732 of the Act, we are initiating an antidumping duty investigation to determine whether cut flowers from Colombia are being, or are likely to be, sold in the United States at less than fair market value.

##### Scope of Investigation

The products covered by this investigation are fresh cut miniature (spray) carnations, currently provided for in item 192.17 of the *Tariff Schedules of the United States* (TSUS), and standard carnations, standard chrysanthemums, pompon chrysanthemums, alstroemeria, gerbera, and gypsophila, currently provided for in item 192.21 of the TSUS.

##### United States Price and Foreign Market Value

Petitioner based United States price on monthly average unit values of cut flower imports as derived from the Bureau of Census and Department of Agriculture import statistics. Petitioner subtracted estimated charges for airfreight and U.S. duties from delivered prices, where applicable.

Petitioner based foreign market value on the constructed value of cut flowers because it alleges that growers sell only "second" or "culls" in the home market and export all of their merchantable fresh cut flowers. Petitioner derived the constructed values through use of United States growers' costs, adjusted for differences between U.S. and

Colombia costs for raw materials, variable overhead, depreciation, interest on working capital, and labor.

Based on the comparison of these estimated values, petitioner alleges dumping margins ranging from zero to 210.0 percent.

#### Notification of ITC

Section 732(d) of the Act requires us to notify the ITC of this action and to provide it with the information we used to arrive at this determination. We will notify the ITC and make available to it all nonprivileged and nonconfidential information. We will also allow the ITC access to all privileged and confidential information in our files, provided it confirms that it will not disclose such information either publicly or under an administrative protective order without the consent of the Deputy Assistance Secretary for Import Administration.

#### Preliminary Determination by ITC

The ITC will determine by July 7, 1986, whether there is a reasonable indication that imports of cut flowers from Colombia materially injure, or threaten material injury to, a United States industry. If its determination is negative, the investigation will terminate; otherwise, it will proceed according to the statutory and regulatory procedures.

This notice is published pursuant to section 732(c)(2) of the Act.

Gilbert B. Kaplan,

*Deputy Assistant Secretary for Import Administration.*

June 10, 1986.

[FR Doc. 86-13630 Filed 6-16-86; 8:45 am]

BILLING CODE 3510-06-M

[A-223-602]

#### Initiation of Antidumping Duty Investigation; Certain Fresh Cut Flowers From Costa Rica

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**ACTION:** Notice.

**SUMMARY:** On the basis of a petition filed in proper form with the United States Department of Commerce, we are initiating an antidumping duty investigation to determine whether certain fresh cut flowers (cut flowers) from Costa Rica are being, or are likely to be, sold in the United States at less than fair value. We are notifying the United States International Trade Commission (ITC) of this action so that it may determine whether imports of this product materially injure, or threaten material injury to, a United States industry. If this investigation proceeds

normally, the ITC will make its preliminary determination on or before July 7, 1986, and we will make our preliminary determination on or before October 28, 1986.

**EFFECTIVE DATE:** June 17, 1986.

**FOR FURTHER INFORMATION CONTACT:** John Brinkmann, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone, (202) 377-3965.

#### SUPPLEMENTARY INFORMATION:

##### The Petition

On May 21, 1986, we received a petition in proper form the Floral Trade Council with respect to cut flowers from Costa Rica. In compliance with the filing requirements of § 353.36 of the Commerce Regulations (19 CFR 353.36), the petition alleges that imports of the subject merchandise from Costa Rica are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (the Act), and that these imports materially injure, or threaten material injury to, a United States industry.

##### Initiation of Investigation

Under section 732(c) of the Act, we must determine, within 20 days after a petition is filed, whether the petition sets forth the allegations necessary for the initiation of an antidumping duty investigation, and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petition on cut flowers from Costa Rica and have found that it meets the requirements of section 732(b) of the Act. Therefore, in accordance with section 732 of the Act, we are initiating an antidumping duty investigation to determine whether cut flowers from Costa Rica are being, or are likely to be, sold in the United States at less than fair value.

##### Scope of Investigation

The products covered by this investigation are fresh cut miniature (spray) carnations, currently provided for in item 192.17 of the *Tariff Schedules of the United States* (TSUS), and standard carnations, and pompon chrysanthemums, currently provided for in item 192.21 of the TSUS.

##### United States Price and Foreign Market Value

Petitioner based United States price on monthly average unit values of cut flower imports as derived from the

Bureau of Census and Department of Agriculture import statistics. Petitioner subtracted estimated charges for insurance, freight and duty from delivered prices, here applicable.

Petitioner based foreign market value on the constructed value of cut flowers because it alleges that growers sell only "second" or "culls" in the home market and export all of their merchantable fresh cut flowers. Petitioner derived the adjusted constructed values through use of United States growers' costs, adjusted for differences between U.S. and Costa Rican costs for raw materials, variable overhead, depreciation, interest on working capital, and labor.

Based on the comparison of these estimated values, petitioner alleges dumping margins ranging from zero to 134.6 percent.

#### Notification of ITC

Section 732(d) of the Act requires us to notify the ITC of this action and to provide it with the information we used to arrive at this determination. We will notify the ITC and make available to it all nonprivileged and nonconfidential information. We will also allow the ITC access to all privileged and confidential information in our files, provided it confirms that it will not disclose such information either publicly or under an administrative protective order without the consent of the Deputy Assistant Secretary for Import Administration.

#### Preliminary Determination by ITC

The ITC will determine by July 7, 1986, whether there is a reasonable indication that imports of cut flowers from Costa Rica materially injure, or threaten material injury to, a United States industry. If its determination is negative, the investigation will terminate; otherwise, it will proceed according to the statutory and regulatory procedures.

This notice is published pursuant to section 732(c)(2) of the Act.

Gilbert B. Kaplan,

*Deputy Assistant Secretary for Import Administration.*

June 10, 1986.

[FR Doc. 86-13637 Filed 6-16-86; 8:45 am]

BILLING CODE 3510-06-M

[A331-602]

#### Initiation of Antidumping Duty Investigation; Certain Fresh Cut Flowers from Ecuador

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**ACTION:** Notice.



**SUMMARY:** On the basis of a petition filed in proper form with the United States Department of Commerce, we are initiating an antidumping duty investigation to determine whether certain fresh cut flowers (cut flowers) from Ecuador are being, or are likely to be, sold in the United States at less than fair value. We are notifying the United States International Trade Commission (ITC) of this action so that it may determine whether imports of this product materially injure, or threaten material injury to, a United States industry. If this investigation proceeds normally, the ITC will make its preliminary determination on or before July 7, 1986, and we will make our preliminary determination on or before October 28, 1986.

**EFFECTIVE DATE:** June 17, 1986.

**FOR FURTHER INFORMATION CONTACT:** John J. Kenkel or John Brinkmann, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 377-5404 or 377-3965.

**SUPPLEMENTARY INFORMATION:**

**The Petition**

On May 21, 1986, we received a petition in proper form from the Floral Trade Council with respect to cut flowers from Ecuador. In compliance with the filing requirements of § 353.36 of the Commerce Regulations (19 CFR 353.36), the petition alleges that imports of the subject merchandise from Ecuador are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (the Act), and that these imports materially injure, or threaten material injury to, a United States industry.

**Initiation of Investigation**

Under section 732(c) of the Act, we must determine, within 20 days after a petition is filed, whether the petition sets forth the allegations necessary for the initiation of an antidumping duty investigation, and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petition on cut flowers from Ecuador and have found that it meets the requirements of section 732(b) of the Act. Therefore, in accordance with section 732 of the Act, we are initiating an antidumping duty investigation to determine whether cut flowers from Ecuador are being, or are

likely to be, sold in the United States at less than fair value.

**Scope of Investigation**

The products covered by this investigation are fresh cut miniature (spray) carnations, currently provided for in item 192.17 of the *Tariff Schedules of the United States* (TSUS), and standard carnations, standard chrysanthemums and pompon chrysanthemums, currently provided in item 192.21 of the TSUS.

**United States Price and Foreign Market Value**

Petitioner based United States price on monthly average unit values of cut flower imports as derived from the Bureau of Census and Department of Agriculture import statistics.

Petitioner based foreign market value on the constructed value of cut flowers because it alleges that growers sell only "second" or "culls" in the home market and export all of their merchantable fresh cut flowers. Petitioner derived the constructed values through use of United States growers' costs, adjusted for differences between U.S. and Ecuadorian costs for raw materials, depreciation, variable overhead, interest on working capital and labor.

Based on the comparisons of these estimated values, petitioner alleges average dumping margins ranging from zero to 355.9 percent.

**Notification of ITC**

Section 732(d) of the Act requires us to notify the ITC of this action and to provide it with the information we used to arrive at this determination. We will notify the ITC and make available to it all nonprivileged and nonconfidential information. We will also allow the ITC access to all privileged and confidential information in our files, provided it confirms that it will not disclose such information either publicly or under an administrative protective order without the consent of the Deputy Assistant Secretary for Import Administration.

**Preliminary Determination by ITC**

The ITC will determine by July 7, 1986, whether there is a reasonable indication that imports of cut flowers from Ecuador materially injure, or threaten material injury to, a United States industry. If its determination is negative, the investigation will terminate; otherwise, it will proceed according to the statutory and regulatory procedures.

This notice is published pursuant to section 732(c)(2) of the Act.

Gilbert B. Kaplan,  
Deputy Assistant Secretary for Import Administration.

June 10, 1986.

[FR Doc. 86-13638 Filed 6-16-86; 8:45 am]

BILLING CODE 3510-05-M

[A-779-602]

**Initiation of Antidumping Duty Investigation; Certain Fresh Cut Flowers from Kenya**

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**ACTION:** Notice.

**SUMMARY:** On the basis of a petition filed in proper form with the United States Department of Commerce, we are initiating an antidumping duty investigation to determine whether certain fresh cut flowers (cut flowers) from Kenya are being, or are likely to be, sold in the United States at less than fair value. We are notifying the United States International Trade Commission (ITC) of this action so that it may determine whether imports of this product materially injure, or threaten material injury to, a United States industry. If this investigation proceeds normally, the ITC will make its preliminary determination on or before July 7, 1986, as we will make our preliminary determination on or before October 28, 1986.

**EFFECTIVE DATE:** June 17, 1986.

**FOR FURTHER INFORMATION CONTACT:** John Brinkmann, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 377-3965.

**SUPPLEMENTARY INFORMATION:**

**The Petition**

On May 21, 1986, we received a petition in proper form from the Floral Trade Council with respect to cut flowers from Kenya. In compliance with the filing requirements of § 353.36 of the Commerce Regulations (19 CFR 353.36), the petition alleges that imports of the subject merchandise from Kenya are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (the Act), and that these imports materially injure, or threaten material injury to, a United States industry. B-9

**Initiation of Investigation**

Under section 732(c) of the Act, we must determine, within 20 days after a petition is filed, whether the petition sets forth the allegations necessary for the initiation of an antidumping duty investigation, and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petition on cut flowers from Kenya and have found that it meets the requirements of section 732(b) of the Act. Therefore, in accordance with section 732 of the Act, we are initiating an antidumping investigation to determine whether cut flowers from Kenya are being, or are likely to be, sold in the United States at less than fair value.

**Scope of Investigation**

The products covered by this investigation are fresh cut miniature (spray) carnations, currently provided for in item 192.17 of the *Tariff Schedules of the United States* (TSUS), and standard carnations, currently provided for in item 192.21 of the TSUS.

**United States Price and Foreign Market Value**

Petitioner based United States price on quarterly average unit price f.o.b. origin of cut flower imports as derived from the Bureau of Census IM145 import statistics.

Petitioner based foreign market value on the constructed values of cut flowers because it alleges that growers sell only "seconds" or "culls" in the home market and export all of their merchantable fresh cut flowers. Petitioner derived the constructed values through use of the United States growers' costs for raw materials, depreciation, interest on working capital, and labor.

Based on the comparison of these estimated values, petitioner alleges dumping margins ranging from 63.5 percent to 195.4 percent.

**Notification of ITC**

Section 732(d) of the Act requires us to notify the ITC of this action and to provide it with the information we used to arrive at this determination. We will notify the ITC and make available to it all nonprivileged and nonconfidential information. We will also allow the ITC access to all privileged and confidential information in our files, provided it confirms that it will not disclose such information either publicly or under an administrative protective order without the consent of the Deputy Assistant Secretary for Import Administration.

**Preliminary Determination by ITC**

The ITC will determine by July 7, 1986, whether there is a reasonable indication that imports of cut flowers from Kenya materially injure, or threaten material injury to, a United States industry. If its determination is negative, the investigation will terminate; otherwise, it will proceed according to the statutory and regulatory procedures.

This notice is published pursuant to section 732(c)(2) of the Act.

Gilbert B. Kaplan,

*Deputy Assistant Secretary for Import Administration.*

June 10, 1986.

[FR Doc. 86-13633 Filed 6-16-86; 8:35 am]

BILLING CODE 3510-09-M

[A-201-601]

**Initiation of Antidumping Duty Investigation; Certain Fresh Cut Flowers From Mexico**

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**ACTION:** Notice.

**SUMMARY:** On the basis of a petition filed in proper form with the United States Department of Commerce, we are initiating an antidumping duty investigation to determine whether certain fresh cut flowers (cut flowers) from Mexico are being, or are likely to be, sold in the United States at less than fair value. We are notifying the United States International Trade Commission (ITC) of this action so that it may determine whether imports of this product materially injure, or threaten material injury to, a United States industry. If this investigation proceeds normally, the ITC will make its preliminary determination on or before July 7, 1986, and we will make our preliminary determination on or before October 28, 1986.

**EFFECTIVE DATE:** June 17, 1986.

**FOR FURTHER INFORMATION CONTACT:** John Brinkmann, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 377-3965.

**SUPPLEMENTARY INFORMATION:****The Petition**

On May 21, 1986, we received a petition in proper form from the Floral Trade Council with respect to cut flowers from Mexico. In compliance with the filing requirements of § 353.36

of the Commerce Regulations (19 CFR 353.36), the petition alleges that imports of the subject merchandise from Mexico are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (the Act), and that these imports materially injure, or threaten material injury to, a United States industry.

**Initiation of Investigation**

Under section 732(c) of the Act, we must determine, within 20 days after petition is filed, whether the petition sets forth the allegations necessary for the initiation of an antidumping duty investigation, and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petition on cut flowers from Mexico and have found that it meets the requirements of section 732(b) of the Act. Therefore, in accordance with section 732 of the Act, we are initiating an antidumping duty investigation to determine whether cut flowers from Mexico are being, or are likely to be, sold in the United States at less than fair value.

**Scope of Investigation**

The products covered by this investigation are fresh cut standard carnations, standard chrysanthemums, and pompon chrysanthemums, currently provided for in item 192.21 of the *Tariff Schedules of the United States*.

**United States Price and Foreign Market Value**

Petitioner based United States price on monthly average unit values of cut flower imports as derived from the Bureau of Census and Department of Agriculture import statistics.

Petitioner based foreign market value on the constructed value of cut flowers because it alleges that growers sell only "second" or "culls" in the home market and export all of their merchantable fresh cut flowers. Petitioner derived the constructed value through use of United States growers' costs, adjusted for differences between U.S. and Mexican costs for raw materials, variable overhead, depreciation, interest on working capital, and labor.

Based on the comparison of these estimated values, petitioner alleges dumping margins ranging from zero to 254.5 percent.

**Notification of ITC**

Section 732(j) of the Act requires us to notify the ITC of this action and to provide it with the information we used to arrive at this determination. We will

notify the ITC and make available to it all nonprivileged and nonconfidential information. We will also allow the ITC access to all privileged and confidential information in our files, provided it confirms that it will not disclose such information either publicly or under an administrative protective order without the consent of the Deputy Assistant Secretary for Import Administration.

#### Preliminary Determination by ITC

The ITC will determine by July 7, 1986, whether there is a reasonable indication that imports of cut flowers from Mexico materially injure, or threaten material injury to, a United States industry. If its determination is negative, the investigation will terminate; otherwise, it will proceed according to the statutory and regulatory procedures.

This notice is published pursuant to section 732(c)(2) of the Act.

Gilbert B. Kaplan,

*Deputy Assistant Secretary, for Import Administration.*

June 10, 1986.

[FR Doc. 86-13640 Filed 6-16-86; 8:45 am]

BILLING CODE 3510-05-M

[A-333-602]

#### Initiation of Antidumping Duty Investigation; Certain Fresh Cut Flowers From Peru

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**ACTION:** Notice.

**SUMMARY:** On the basis of a petition filed in proper form with the United States Department of Commerce, we are initiating an antidumping duty investigation to determine whether certain fresh cut flowers (cut flowers) from Peru are being, or are likely to be, sold in the United States at less than fair value. We are notifying the United States International Trade Commission (ITC) of this action so that it may determine whether imports of this product materially injure, or threaten material injury to, a United States industry. If this investigation proceeds normally, the ITC will make its preliminary determination on or before July 7, 1986, and we will make our preliminary determination on or before October 28, 1986.

**EFFECTIVE DATE:** June 17, 1986.

**FOR FURTHER INFORMATION CONTACT:** John Brinkmann, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW.

Washington, DC 20230; telephone: (202) 377-3965.

#### SUPPLEMENTARY INFORMATION:

##### The Petition

On May 21, 1986, we received a petition in proper form from the Floral Trade Council with respect to cut flowers from Peru. In compliance with the filing requirements of 353.36 of the Commerce Regulations (19 CFR 353.36), the petition alleges that imports of the subject merchandise from Peru are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (the Act), and that these imports materially injure, or threaten material injury to, a United States industry.

##### Initiation of Investigation

Under section 732(c) of the Act, we must determine, within 20 days after petition is filed, whether the petition sets forth the allegations necessary for the initiation of an antidumping duty investigation, and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petition on cut flowers from Peru and have found that it meets the requirements of section 732(b) of the Act. Therefore, in accordance with section 732 of the Act, we are initiating an antidumping duty investigation to determine whether cut flowers from Peru are being, or are likely to be, sold in the United States at less than fair value.

##### Scope of Investigation

The products covered by this investigation are fresh cut miniature (spray) carnations, currently provided for in item 192.17 of the *Tariff Schedules of the United States* (TSUS), and pompon chrysanthemums and gypsophila, currently provided for in item 192.21 of the TSUS.

##### United States Price and Foreign Market Value

Petitioner based United States price on monthly average unit values of cut flower imports as derived from the Bureau of Census and Department of Agriculture import statistics.

Petitioner based foreign market value on the constructed values of cut flowers because it alleges that growers sell only "seconds" or "culls" in the home market and export all of their merchantable fresh cut flowers. Petitioner derived the constructed values through use of United States growers' costs, adjusted for differences between U.S. and Peruvian costs for raw materials,

variable overhead, depreciation, interest on working capital, and labor.

Based on the comparison of these estimated values, petitioner alleges dumping margins ranging from zero to 62.1 percent.

##### Notification of ITC

Section 732(d) of the Act requires us to notify the ITC of this action and to provide it with the information we used to arrive at this determination. We will notify the ITC and make available to it all nonprivileged and nonconfidential information. We will also allow the ITC access to all privileged and confidential information in our files, provided it confirms that it will not disclose such information either publicly or under an administrative protective order without the consent of the Deputy Assistant Secretary for Import Administration.

##### Preliminary Determination by ITC

The ITC will determine by July 7, 1986, whether there is a reasonable indication that imports of cut flowers from Peru materially injure, or threaten material injury to, a United States industry. If its determination is negative, the investigation will terminate; otherwise, it will proceed according to the statutory and regulatory procedures.

This notice is published pursuant to section 732(c)(2) of the Act.

Gilbert B. Kaplan,

*Deputy Assistant Secretary, for Import Administration.*

June 10, 1986.

[FR Doc. 86-13641 Filed 6-16-86; 8:45 am]

BILLING CODE 3510-05-M

[A-337-602]

#### Initiation of Antidumping Duty Investigation; Standard Carnations From Chile

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**ACTION:** Notice.

**SUMMARY:** On the basis of a petition filed in proper form with the United States Department of Commerce, we are initiating an antidumping duty investigation to determine whether standard carnations from Chile are being, or are likely to be, sold in the United States at less than fair value. We are notifying the United States International Trade Commission (ITC) of this action so that it may determine whether imports of this product materially injure, or threaten material injury to, a United States industry. If this

investigation proceeds normally, the ITC will make its preliminary determination on or before July 7, 1986, and we will make our preliminary on or before July 7, 1986, and we will make our preliminary determination on or before October 28, 1986.

**EFFECTIVE DATE:** June 17, 1986.

**FOR FURTHER INFORMATION CONTACT:** John J. Kenkel or John Brinkmann, Office of Investigation, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 377-5404 or 377-3965.

**SUPPLEMENTARY INFORMATION:**

**The Petition**

On May 21, 1986, we received a petition in proper form from the Floral Trade Council with respect to standard carnations from Chile. In compliance with the filing requirement of § 353.36 of the Commerce Regulations (19 CFR 353.36), the petition alleges that imports of the subject merchandise from Chile are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (the Act), and that these imports materially injure, or threaten material injury to, a United States industry.

**Initiation of Investigation**

Under section 732(c) of the Act, we must determine, within 20 days after petition is filed, whether the petition sets forth the allegations necessary for the initiation of an antidumping duty investigation, and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petition on standard carnations from Chile and have found that it meets the requirements of section 732(b) of the Act. Therefore, in accordance with section 732 of the Act, we are initiating an antidumping duty investigation to determine whether standard carnations from Chile are being, or are likely to be, sold in the United States at less than fair value.

**Scope of Investigation**

The products covered by this investigation are fresh cut standard carnations, currently provided for in item 192.21 of the *Tariff Schedules of the United States*. (TSUS). United States Price and Foreign Market Value. Petitioner based United States price, F.O.B. origin, on monthly average unit values of imports of standard carnations as derived from the Bureau of Census.

Petitioner based foreign value on the constructed value of standard

carnations because it alleges that growers sell only "second" or "culls" in the home market and export all of their marketable standard carnations. Petitioner derived the constructed values through use of United States growers' costs, adjusted for differences between U.S. and Chilean costs for labor.

Based on the comparison of these estimated values, petitioner alleges average dumping margins ranging from 63.1 percent to 237.5 percent during the most recent annual period.

**Notification of ITC**

Section 732(d) of the Act requires us to notify the ITC of this action and to provide it with the information we used to arrive at this determination. We will notify the ITC and make available to it all nonprivileged and nonconfidential information. We will also allow the ITC access to all privileged and confidential information in our files, provided it confirms that it will not disclose such information either publicly or under an administrative protective order without the consent of the Deputy Assistant Secretary for Import Administration.

**Preliminary Determination by ITC**

The ITC will determine by July 7, 1986, whether there is a reasonable indication that imports of standard carnations from Chile materially injure, or threaten material injury to, a United States industry. If its determination is negative, the investigation will terminate; otherwise, it will proceed accordingly to the statutory and regulatory procedures.

This notice is published pursuant to section 732(c)(2) of the Act.

**Gilbert B. Kaplan,**

*Deputy Assistant Secretary, for Import Administration.*

June 10, 1986.

[FR Doc. 86-13642 Filed 6-16-86; 8:45 am]

98.1166 CODE 3510-99-01

**ACTION:** Notice.

**SUMMARY:** On the basis of a petition filed in proper form with the U.S. Department of Commerce, we are initiating a countervailing duty investigation to determine whether producers or exporters in Canada of certain fresh cut flowers (cut flowers), as described in the "Scope of Investigation" section of this notice, receive benefits which constitute subsidies within the meaning of the countervailing duty law. We are notifying the U.S. International Trade Commission (ITC) of this action, so that it may determine whether imports of the subject merchandise from Canada materially injure, or threaten material injury to, a U.S. industry. If this investigation proceeds normally, the ITC will make its preliminary determination on or before July 7, 1986, and we will make ours on or before August 14, 1986.

**EFFECTIVE DATE:** June 17, 1986.

**FOR FURTHER INFORMATION CONTACT:** Cary Taverman, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone (202) 377-0161.

**SUPPLEMENTARY INFORMATION:****The Petition**

On May 21, 1986, we received a petition in proper form from the Floral Trade Council with respect to cut flowers from Canada. In compliance with the filing requirements of § 355.26 of the Commerce Regulations (19 CFR 355.26), the petition alleges that producers or exporter in Canada of cut flowers receive subsidies within the meaning of section 701 of the Tariff Act of 1930, as amended (the Act). In addition, the petition alleges that such imports materially injure, or threaten material injury to the U.S. industry.

Since Canada is a "country under the Agreement" within the meaning of section 701(b) of the Act, the ITC is required to determine whether imports of the subject merchandise from Canada materially injure, or threaten material injury to, a U.S. industry.

On June 6, 1986, the Government of Canada exercised its right to consultation pursuant to Article 3:1 of the Agreement on Interpretation and Application of Articles VI, XVI, and XXIII of the General Agreement on Tariffs and Trade.

**Initiation of Investigation**

Under section 702(c) of the Act, we must determine, within 20 days after a petition is filed, whether the petition

sets forth the allegations necessary for the initiation of a countervailing duty investigation, and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petition on cut flowers from Canada and have found that it meets the requirements of section 702(b) of the Act. Therefore, in accordance with section 702(c), we are initiating a countervailing duty investigation to determine whether producers or exporters in Canada of cut flowers as described in the "Scope of Investigation" section of this notice, receive benefits which constitute subsidies within the meaning of the Act. If our investigation proceeds normally, we will make our preliminary determination on or before August 14, 1986.

**Scope of the Investigation**

The products covered by this investigation are fresh cut miniature (spray) carnations, currently provided for in item 192.17 of the *Tariff Schedule of the United States* (TSUS), and standard carnations, currently provided for in item 192.21 of the TSUS.

**Allegations of Subsidies**

The petition lists a number of practices by the Government of Canada and certain provincial governments which allegedly confer subsidies on producers or exporters in Canada of cut flowers. We are initiating an investigation on the following alleged programs:

**Federal Programs**

- Investment Tax Credits
- Farm Improvement Loans
- Program for Export Market Development
- Promotional Projects Program
- Loans Under the Enterprise Development Program

**Joint Federal-Provincial Programs**

- Agricultural and Rural Development Agreements
- General Development Agreements
- Economic and Regional Development Agreements
- Crop Insurance

**Provincial Programs**

- Ontario Development Corporation
- Ontario Greenhouse Energy Efficiency Incentives
- Provincial Crop Insurance
- Alberta Beginning Farmer Assistance Program
- British Columbia Greenhouse Farm Income Insurance Program

[C-122-603]

**Initiation of Countervailing Duty Investigation: Certain Fresh Cut Flowers From Canada**

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce:

• **British Columbia Agricultural Land Development Assistance**

We are not initiating an investigation on the following programs:

**Federal Programs**

**1. Farm Credit Corporation Programs**

**a. Farm Credit Act**

Canada's Farm Credit Act of 1959 provides long-term loans to individual farmers, farming corporations, and cooperative farm associations for the acquisition of farm land and for a broad array of agricultural operations. The program is administered by the Farm Credit Corporation.

**b. Farm Syndicates Credit Act**

The Farm Syndicates Credit Act provides long-term loans to farming corporations, cooperative farm associations and other farm associations for the purchase or improvement of farm buildings and land, and for the acquisition of farm machinery. The program is administered by the Farm Credit Corporation.

Both the Farm Credit Act and the Farm Syndicates Credit Act were found not to be limited to a specific enterprise or industry, or group of enterprises or industries in the *Final Affirmative Countervailing Duty Determination: Live Swine and Fresh, Chilled and Frozen Pork Products from Canada (Live Swine)* (50 FR 25097). Because petitioner has not presented any new information or alleged changed circumstances with respect to these programs, we are not initiating an investigation on these programs.

**2. Grants and Term Loan Insurance Under the Enterprise Development Program**

As noted earlier, the purpose of the EDP was to promote productivity in the manufacturing and processing sector by encouraging innovations in the production process. In *Final Affirmative Countervailing Duty Determination: Certain Fresh Atlantic Groundfish from Canada* (51 FR 30041), we found that grants and term loan insurance were not limited to a specific enterprise or industry, or group of enterprises and industries. Because petitioner has not presented any new information or alleged changed circumstances with respect to this program, we are not initiating an investigation on grants and term loan insurance under this program.

**Provincial Programs**

**1. Ontario Young Farmer Credit Program**

This program provides a rebate of interest charges on loans from approved lenders to a maximum rebate of 5 percentage points, based on the

difference between the Farm Credit Corporation rate at the time of entry and eight percent. Assistance is available to all beginning farmers in Ontario. This program was found not to be limited to a specific enterprise or industry, or group or enterprises or industries in *Live Swine, supra*. Because petitioner has not presented any new information or alleged changed circumstances with respect to this program, we are not initiating an investigation on this program.

**2. British Columbia Agriculture Credit Act**

**a. Guaranteed Loan Program**

Under this program loans and loan guarantees are provided to eligible farmers. The program does not designate specific products for receipt of funding nor establish differing terms for specific products.

**b. Partial Interest Reimbursement**

This program operates to reimburse farmers in British Columbia for part of the interest on loans. Similar to the Guaranteed Loan Program, it does not designate specific products for receipt of funding nor establish differing terms for specified products.

Both these programs were found not to be limited to a specific enterprise or industry, or group of enterprises or industries in *Live Swine, supra*. Because petitioner has not presented any new information or alleged changed circumstances with respect to these programs, we are not initiating on these programs.

**Notification of ITC**

Section 702(d) of the Act requires us to notify the ITC of this action and to provide it with the information we used to arrive at this determination. We will notify the ITC and make available to it all nonprivileged and nonconfidential information. We will also allow the ITC access to all privileged and confidential information in our files, provided it confirms that it will not disclose such information either publicly or under an administrative protective order without the consent of the Deputy Assistant Secretary for Import Administration.

**Preliminary Determination by ITC**

The ITC will determine by July 7, 1986, whether there is a reasonable indication that imports of cut flowers from Canada materially injure, or threaten material injury to, a U.S. industry. If its determination is negative, the investigation will terminate; otherwise it will proceed according to the statutory and regulatory procedures.

This notice is published pursuant to section 702(c)(2) of the Act.

Gilbert B. Kaplan,

Deputy Assistant Secretary for Import Administration

June 10, 1986.

[FR Doc. 86-13643 Filed 6-16-86; 8:45 am]

BILLING CODE 1610-09-M

[C-223-6011]

**Initiation of Countervailing Duty Investigation: Certain Fresh Cut Flowers From Costa Rica**

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**ACTION:** Notice.

**SUMMARY:** On the basis of a petition filed in proper form with the U.S. Department of Commerce, we are initiating a countervailing duty investigation to determine whether producers or exporters in Costa Rica of certain fresh cut flowers (cut flowers), as described in the "Scope of Investigation" section of this notice, receive benefits which constitute bounties or grants within the meaning of the countervailing duty law. If this investigation proceeds normally, we will make our preliminary determination on or before August 14, 1986.

**EFFECTIVE DATE:** June 17, 1986.

**FOR FURTHER INFORMATION CONTACT:** Gary Taverman, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 377-0161.

**SUPPLEMENTARY INFORMATION:**

**The Petition**

On May 21, 1986, we received a petition in proper form from the Floral Trade Council with respect to cut flowers from Costa Rica. In compliance with the filing requirements of § 355.26 of the Commerce Regulations (19 CFR 355.26), the petition alleges that producers or exporters in Costa Rica of cut flowers receive bounties or grants within the meaning of section 303 of the Tariff Act of 1930, as amended (the Act).

Costa Rica is not a "country under the Agreement" within the meaning of section 701(b) of the Act and, therefore, section 303 of the Act applies to this investigation. The merchandise being investigated is nondutiable. However, there is no "international obligation" within the meaning of section 303(a)(2) of the Act which requires an injury

determination for nondutiable merchandise from Costa Rica. Therefore, the domestic industry is not required to allege that, and the U.S. International Trade Commission is not required to determine whether, imports of the subject merchandise materially injure, or threaten material injury to, a U.S. industry.

#### Initiation of Investigation

Under section 702(c) of the Act, we must determine, within 20 days after a petition is filed, whether the petition sets forth the allegations necessary for the initiation of a countervailing duty investigation, and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petition on cut flowers from Costa Rica and have found that it meets the requirements of section 702(b) of the Act. Therefore, in accordance with section 702(c), we are initiating a countervailing duty investigation to determine whether producers or exporters in Costa Rica of cut flowers as described in the "Scope of Investigation" section of this notice, receive benefits which constitute bounties or grants within the meaning of the Act. If our investigation proceeds normally, we will make our preliminary determination on or before August 14, 1986.

#### Scope of Investigation

The products covered by this investigation are fresh cut miniature (spray) carnations, currently provided for in item 192.17 of the *Tariff Schedules of the United States* (TSUS), and pompon chrysanthemums and standard carnations, currently provided for in item 192.21 of the TSUS.

#### Allegations of Bounties or Grants

The petition lists a number of practices by the Government of Costa Rica which allegedly confer bounties or grants on producers or exporters in Costa Rica of cut flowers. We are initiating an investigation on the following alleged programs:

- Tax Credit Certificates (CATS).
- Export Increment Certificates (CIEX).
- Income Tax Exemption for Export Earnings.
- Import Tax Exemption for Materials and Machinery.
- Preferential Financing.
- Accelerated Depreciation.

This notice is published pursuant to section 702(c)(2) of the Act.

Gilbert B. Kaplan,

*Deputy Assistant Secretary for Import Administration.*

June 10, 1986.

[FR Doc. 86-13644 Filed 6-16-86; 8:45 am]

BILLING CODE 3510-05-M

[C-331-601]

#### Initiation of Countervailing Duty Investigation: Certain Fresh Cut Flowers From Ecuador

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**ACTION:** Notice.

**SUMMARY:** On the basis of a petition filed in proper form with the U.S. Department of Commerce, we are initiating a countervailing duty investigation to determine whether producers or exporters in Ecuador of certain fresh cut flowers (cut flowers), as described in the "Scope of Investigation" section of this notice, receive benefits which constitute bounties or grants within the meaning of the countervailing duty law. If this investigation proceeds normally, we will make our preliminary determination on or before August 14, 1986.

**EFFECTIVE DATE:** June 17, 1986.

**FOR FURTHER INFORMATION CONTACT:** Gary Taverman, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 377-0161.

#### SUPPLEMENTARY INFORMATION:

On May 21, 1986, we received a petition in proper form from the Floral Trade Council with respect to cut flowers from Ecuador. In compliance with the filing requirements of § 355.26 of the Commerce Regulations (19 CFR 355.26), the petition alleges that producers or exporters in Ecuador of cut flowers receive bounties or grants within the meaning of section 303 of the Tariff Act of 1930, as amended (the Act).

Ecuador is not a "country under the Agreement" within the meaning of section 701(b) of the Act, and therefore, section 303 of the Act applies to this investigation. The merchandise being investigated is nondutiable. However, there is no "international obligation" within the meaning of section 303(a)(2) of the Act which requires an injury determination for nondutiable

merchandise from Ecuador. Therefore, the domestic industry is not required to allege that, and the U.S. International Trade Commission is not required to determine whether, imports of these products materially injure, or threaten material injury to, a U.S. industry.

#### Initiation of Investigation

Under section 702(c) of the Act, we must determine, within 20 days after a petition is filed, whether the petition sets forth the allegations necessary for the initiation of a countervailing duty investigation, and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petition on cut flowers from Ecuador and have found that it meets the requirements of section 702(b) of the Act. Therefore, in accordance with section 702(c), we are initiating a countervailing duty investigation to determine whether producers or exporters in Ecuador of cutflowers as described in the "Scope of Investigation" section of this notice, receive benefits which constitute bounties or grants within the meaning of the Act. If our investigation proceeds normally, we will make our preliminary determination on or before August 14, 1986.

#### Scope of Investigation

The products covered by this investigation are fresh cut miniature (spray) carnations, currently provided for in item 192.17 of the *Tariff Schedules of the United States* (TSUS), and pompon chrysanthemums, standard chrysanthemums, and standard carnations, currently provided for in item 192.21 of the TSUS.

#### Allegations of Bounties or Grants

The petition lists a number of practices by the government of Ecuador which allegedly confer bounties or grants on producers or exporters in Ecuador of cut flowers. We are initiating an investigation of the following alleged programs:

- Tax Credit Certificates for Exports.
- FOPEX Export Credit.
- Low-Cost Loans for Agricultural Projects.
- Tax Deductions for New Investment.
- Tax Holiday.
- Tax Exemptions on Transfers of Real Estate.
- Other Tax Exemptions.
- Import Duty Exemptions.
- Government Refinancing of Private Debt.
- Preferential Loans for Import of Seeds.



• Although not specifically alleged by petitioner, we are also initiating an investigation to ascertain whether producers or exporters in Ecuador of cut flowers receive any benefits under the following program because we have information indicating that this program may provide a bounty or grant:

- Sales and Income Tax Exemptions.

We are not initiating an investigation on the following alleged program:

#### Exemptions for Import Duties on Raw Materials Incorporated Into Export Goods

Petitioners alleges that Category "A" enterprises are exempt from import duties on raw materials incorporated into products which are later re-exported. However, duty exemptions on imported items, such as raw materials, which are physically incorporated into exported products are not countervailable under Annex I to the Commerce Regulations (19 CFR 355, Annex I).

This notice is published pursuant to section 702(c)(2) of the Act.

Gilbert B. Kaplin,

Deputy Assistant Secretary for Import Administration.

June 10, 1986.

[FR Doc. 86-13645 Filed 6-16-86; 8:45 am]

BILLING CODE 3510-03-M

[C-508-603]

#### Initiation of Countervailing Duty Investigation: Certain Fresh Cut Flowers From Israel

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**ACTION:** Notice.

**SUMMARY:** On the basis of a petition filed in proper form with the U.S. Department of Commerce, we are initiating a countervailing duty investigation to determine whether producers or exporters in Israel of certain fresh cut flowers (cut flowers), as described in the "Scope of Investigation" section of this notice, receive benefits which constitute subsidies within the meaning of the countervailing duty law. We are notifying the U.S. International Trade Commission (ITC) of this action, so that it may determine whether imports of the subject merchandise from Israel materially injure, or threaten material injury to, a U.S. industry. If this investigation proceeds normally, the ITC will make its preliminary determination on or before July 7, 1986, and we will make ours on or before August 14, 1986.

**EFFECTIVE DATE:** June 17, 1986.

#### FOR FURTHER INFORMATION CONTACT:

Gary Taverman, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 377-0161.

#### SUPPLEMENTARY INFORMATION:

##### The Petition

On May 21, 1986, we received a petition in proper form from the Floral Trade Council with respect to cut flowers from Israel. In compliance with the filing requirements of § 355.26 of the Commerce Regulations (19 CFR 355.26), the petition alleges that producers or exporters in Israel of cut flowers receive subsidies within the meaning of section 701 of the Tariff Act of 1930, as amended (the Act). In addition, the petition alleges that such imports materially injure, or threaten material injury to the U.S. industry.

Since Israel is a "country under the Agreement" within the meaning of section 701(b) of the Act, the ITC is required to determine whether imports of the subject merchandise from Israel materially injure, or threaten material injury to, a U.S. industry.

On June 10, 1986, the Government of Israel exercised its right to consultation pursuant to Article 3:1 of the Agreement on Interpretation and Application of Articles VI, XVI, and XIII of the General Agreement on Tariffs and Trade.

##### Initiation of Investigation

Under section 702(c) of the Act, we must determine, within 20 days after a petition is filed, whether the petition sets forth the allegations necessary for the initiation of a countervailing duty investigation, and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petition on cut flowers from Israel and have found that it meets the requirements of section 702(b) of the Act. Therefore, in accordance with section 702(c), we are initiating a countervailing duty investigation to determine whether producers or exporters in Israel of cut flowers, as described in the "Scope of Investigation" section of this notice, receive benefits which constitute subsidies within the meaning of the Act. If our investigation proceeds normally, we will make our preliminary determination on or before August 14, 1986.

##### Scope of Investigation

The products covered by this investigation are fresh cut miniature

(spray) carnations, currently provided for in item 192.17 of the *Tariff Schedules of the United States* (TSUS), and gerbera, currently provided for in item 192.21 of the TSUS.

##### Allegations of Subsidies

The petition lists a number of practices by the Government of Israel which allegedly confer subsidies on producers or exporters in Israel of cut flowers. We are initiating an investigation on the following alleged programs:

- Encouragement of Capital Investments Law 5719-1959 (ECIL).
- Investment Grants.
- Property Tax Exemption on Equipment
- Preferential Accelerated Depreciation
- Other Tax Benefits
- Interest Subsidy Payments
- Drawback Grants
- Export Credit Fund.
- Export Production Fund
- Export Shipments Fund
- ◆ Imports-for Exports Fund
  - Government-Guaranteed Minimum Price Program.
  - Export Promotion Financing Fund.
  - Cash Payments to Growers for Greenhouses.
  - Cash Payments to Packing Houses.
  - Government Funding of Agrexco and Purchase of Agrexco Shares.
  - Long-Term Loans to Packing Houses/Exporters.
  - Export Insurance Premiums.
  - Government Support of the Flower Board.
  - Exchange Rate Risk Insurance Scheme.
  - Fuel Grants and Low-Cost Credit.
  - Research and Development Programs.

Although not specifically alleged by petitioner, we are also initiating an investigation to ascertain whether producers or exporters in Israel of cut flowers receive any benefits under the following programs:

- Capital Fund for Agrexco.
- Encouragement of Industry (Taxes) Law 5729-1969.
- Preferential Accelerated Depreciation
- Reduction in Income Tax Rates
- Tax Deductible Inventory Adjustments
- Export Credit Fund.
- Special Export Financing Loans
- Other Benefits Referenced in the ECIL.
- Low-Cost Development Loans
- Labor Training Supported by the Ministry of Labor



**Notification of ITC**

Section 702(d) of the Act requires us to notify the ITC of this action and to provide it with the information we used to arrive at this determination. We will notify the ITC and make available to it all nonprivileged and nonconfidential information. We will also allow the ITC access to all privileged and confidential information in our files, provided it confirms that it will not disclose such information either publicly or under an administrative protective order without the written consent of the Deputy Assistant Secretary for Import Administration.

**Preliminary Determination by ITC**

The ITC will determine by July 7, 1986, whether there is a reasonable indication that imports of cut flowers from Israel materially injure, or threaten material injury to, a U.S. industry. If its determination is negative, the investigation will terminate; otherwise it will proceed according to the statutory and regulatory procedures.

This notice is published pursuant to section 702(c)(2) of the Act.

Gilbert B. Kaplan,

*Deputy Assistant Secretary for Import Administration.*

[FR Doc. 86-13648 Filed 6-16-86; 8:45 am]

BILLING CODE 3510-09-M

[C-779-601]

**Initiation of Countervailing Duty Investigation: Certain Fresh Cut Flowers from Kenya**

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**ACTION:** Notice.

**SUMMARY:** On the basis of a petition filed in proper form with the United States Department of Commerce, we are initiating a countervailing duty investigation to determine whether producers or exporters in Kenya of certain fresh cut flowers (cut flowers) as described in the "Scope of Investigation" section of this notice, receive benefits which constitute bounties or grants within the meaning of the countervailing duty law. We are notifying the United States International Trade Commission (ITC) of this action so that it may determine whether imports of the subject merchandise from Kenya materially injure, or threaten material injury to, a United States industry. If this investigation proceeds normally, the ITC will make its preliminary determination on or before

July 7, 1986, and we will make ours on or before August 14, 1986.

**EFFECTIVE DATE:** June 17, 1986.

**FOR FURTHER INFORMATION CONTACT:** Gary Taverman, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 377-0161.

**SUPPLEMENTARY INFORMATION:**

**The Petition**

On May 21, 1986, we received a petition in proper form from the Floral Trade Council with respect to cut flowers from Kenya. In compliance with the filing requirements of 355.26 of the Commerce Regulations (19 CFR 355.26), the petition alleges that producers or exporters in Kenya of cut flowers receive bounties or grants within the meaning of section 303 of the Tariff Act of 1930, as amended (the Act). In addition, the petition alleges that such imports materially injure, or threaten material injury to, a United States industry.

**Initiation of Investigation**

Since Kenya is not a "country under the Agreement" within the meaning of section 701(b) of the Tariff Act of 1930, as amended (the Act), section 303 of the Act applies to this investigation. However, because Kenya is a signatory to the General Agreement on Tariffs and Trade and the cut flowers subject to this investigation are non-dutiable, the petitioner is required to allege that, and the ITC is required to determine whether, imports of the subject merchandise materially injure, or threaten material injury to, a U.S. industry. Therefore, we are notifying the ITC of this action.

**Initiation of Investigation**

Under section 702(c) of the Act, we must determine, within 20 days after a petition is filed, whether the petition sets forth the allegations necessary for the initiation of a countervailing duty investigation, and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petition on cut flowers from Kenya and have found that it meets the requirements of section 702(b) of the Act. Therefore, in accordance with section 702(c), we are initiating a countervailing duty investigation to determine whether producers or exporters in Kenya of cut flowers as described in the "Scope of Investigation" section of this notice, receive benefits which constitute

bounties or grants within the meaning of the Act. If our investigation proceeds normally, we will make our preliminary determination on or before August 14, 1986.

**Scope of Investigation**

The products covered by this investigation are fresh cut miniature (spray) carnations, currently provided for in item 192.17 of the *Tariff Schedules of the United States* (TSUS), and standard carnations, currently provided for in item 192.21 of the TSUS.

**Allegations of Bounties or Grants**

The petitioner lists a number of practices by the Government of Kenya which allegedly confer bounties or grants on producers or exporters in Kenya of cut flowers. We are initiating an investigation on the following alleged programs:

- Export Compensation Act.
- Investment Allowances.
- Research and Development Support.

We are not initiating an investigation on the following alleged programs:

**Preferential Air Freight Rate for Exporters**

Petitioner alleges that the Government of Kenya subsidizes air freight rates for exporters. In an article submitted as part of the petition, a reference is made to an alleged subsidization of air freight between Kenya and the Federal Republic of Germany. Petitioner has presented no further information which indicates that the alleged subsidization bears any relation to exports of cut flowers to the United States, nor as to the form of this subsidization. Therefore, we are not initiating an investigation on this program.

**Notification of ITC**

Section 702(d) of the Act requires us to notify the ITC of this action and to provide it with the information we used to arrive at this determination. We will notify the ITC and make available to it all nonprivileged and nonconfidential information. We will also allow the ITC access to all privileged and confidential information in our files, provided it confirms that it will not disclose such information either publicly or under an administrative protective order without the consent of the Deputy Assistant Secretary for Import Administration.

**Preliminary Determination by ITC**

The ITC will determine by July 7, 1986, whether there is a reasonable indication that imports of cut flowers from Kenya materially injure, or threaten material injury to, a United States industry. If its

determination is negative, the investigation will terminate; otherwise, it will proceed according to the statutory and regulatory procedures.

This notice is published pursuant to section 702(c)(2) of the Act.

Gilbert B. Kaplan,

*Deputy Assistant Secretary, for Import Administration.*

June 10, 1986.

[FR Doc. 86-13647 Filed 6-16-86; 8:45 am]

BILLING CODE 3510-05-M

[C-421-601]

### Initiation of Countervailing Duty Investigation: Certain Fresh Cut Flowers From the Netherlands

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**ACTION:** Notice.

**SUMMARY:** On the basis of a petition filed in proper form with the U.S. Department of Commerce, we are initiating a countervailing duty investigation to determine whether producers or exporters in the Netherlands of certain fresh cut flowers (cut flowers), as described in the "Scope of Investigation" section of this notice, receive benefits which constitute subsidies within the meaning of the countervailing duty law. We are notifying the U.S. International Trade Commission (ITC) of this action, so that it may determine whether imports of the subject merchandise from the Netherlands materially injure, or threaten material injury to, a U.S. industry. If this investigation proceeds normally, the ITC will make its preliminary determination on or before July 7, 1986, and we will make ours on or before August 14, 1986.

**EFFECTIVE DATE:** June 17, 1986.

**FOR FURTHER INFORMATION CONTACT:** Cary Taverman, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone (202) 377-0161.

#### SUPPLEMENTARY INFORMATION:

##### The Petition

On May 21, 1986, we received a petition in proper form from the Floral Trade Council with respect to cut flowers from the Netherlands. In compliance with the filing requirements of § 355.26 of the Commerce Regulations (19 CFR 355.26), the petition alleges that producers or exporters in the Netherlands of cut flowers receive

subsidies within the meaning of section 701 of the Tariff Act of 1930, as amended (the Act). In addition, the petition alleges that such imports materially injure, or threaten material injury to the U.S. industry.

Since, the Netherlands is a "country under the Agreement" within the meaning of section 701(b) of the Act, the ITC is required to determine whether imports of the subject merchandise from the Netherlands materially injure, or threaten material injury to, a U.S. industry.

On June 9, 1986, the Government of the Netherlands exercised its right to consultation pursuant to Article 3:1 of the Agreement on Interpretation and Application of Articles VI, XVI, and XXIII of the General Agreement on Tariffs and Trade.

#### Initiation of Investigation

Under section 702(c) of the Act, we must determine, within 20 days after a petition is filed, whether the petition sets forth the allegations necessary for the initiation of a countervailing duty investigation, and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petition on cut flowers from the Netherlands and have found that it meets the requirements of section 702(b) of the Act. Therefore, in accordance with section 702(c), we are initiating a countervailing duty investigation to determine whether producers or exporters in the Netherlands of cut flowers, as described in the "Scope of Investigation" section of this notice, receive benefits which constitute subsidies within the meaning of the Act. If our investigation proceeds normally, we will make our preliminary determination on or before August 14, 1986.

#### Scope of Investigation

The products covered by this investigation are fresh cut miniature (spray) carnations, currently provided for in item 192.17 of the *Tariff Schedules of the United States* (TSUS), and standard chrysanthemums, alstroemeria, and gerbera, currently provided for in item 192.21 of the TSUS.

#### Allegations of Subsidies

The petition lists a number of practices by the Government of the Netherlands which allegedly confer subsidies on producers or exporters in the Netherlands of cut flowers. We are initiating an investigation on the following alleged programs:

- Natural Gas Provided at Preferential Rates.

- Investment Incentive (WIR)—Regional Program.
- Aids for the Creation of Cooperative Organizations.
- Loans at Preferential Interest Rates.
- Guarantee Fund for Agriculture.
- Funding of Interest on Loans.
- Glasshouse Enterprises.
- Steam Drainage Systems.
- Energy Saving Aids.
- Land Bank Regulation.

We are not initiating an investigation on the following program:

#### Investment Incentive (WIR)—Investment Tax Credits

Petitioners alleges that Dutch auction houses receive tax investment credits and incentives under the WIR program. This program was found not countervailable in *Final Negative Countervailing Duty Determinations: Certain Steel Products from the Netherlands (Certain Steel Products)* (47 FR 39372). Petitioner has not presented any new information, or alleged changed circumstances which would cause us to reconsider our decision in *Certain Steel Products*.

#### Notification of ITC

Section 702(d) of the Act requires us to notify the ITC of this action and to provide it with the information we used to arrive at this determination. We will notify the ITC and make available to it all nonprivileged and nonconfidential information. We will also allow the ITC access to all privileged and confidential information in our files, provided it conforms that it will not disclose such information either publicly or under an administrative protective order without the written consent of the Deputy Assistant Secretary for Import Administration.

#### Preliminary Determination by ITC

The ITC will determination by July 7, 1986, whether there is a reasonable indication that imports of cut flowers from the Netherlands materially injure, or threaten material injury to, a United States industry. If its determination is negative, the investigation will terminate; otherwise it will proceed according to the statutory and regulatory procedures.

This notice is published pursuant to section 702(c)(2) of the Act.

Gilbert B. Kaplan,

*Deputy Assistant Secretary for Import Administration.*

[FR Doc. 86-13648 Filed 6-16-86; 8:45 am]

BILLING CODE 3510-05-M

IC-333-601)

**Initiation of Countervailing Duty Investigation: Certain Fresh Cut Flowers From Peru**

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**ACTION:** Notice.

**SUMMARY:** On the basis of a petition filed in proper form with the U.S. Department of Commerce, we are initiating a countervailing duty investigation to determine whether producers or exporters in Peru of certain fresh cut flowers (cut flowers) as described in the "Scope of Investigation" section of this notice, receive benefits which constitute bounties or grants within the meaning of the countervailing duty law. We are notifying the U.S. International Trade Commission (ITC) of this action, so that it may determine whether imports of the subject merchandise from Peru materially injure, or threaten material injury to, a U.S. industry. If this investigation proceeds normally, the ITC will make its preliminary determination on or before July 7, 1986, and we will make ours on or before August 14, 1986.

**EFFECTIVE DATE:** June 17, 1986.

**FOR FURTHER INFORMATION CONTACT:** Gary Traverman, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 377-0181.

**SUPPLEMENTARY INFORMATION:****The Petition**

On May 21, 1986, we received a petition in proper form from the Floral Trade Council with respect to cut flowers from Peru. In compliance with the filing requirements of § 355.26 of the Commerce Regulations (19 CFR 355.26) the petition alleges that producers or exporters in Peru of cut flowers receive bounties or grants within the meaning of section 303 of the Tariff Act of 1930, as amended (the Act). In addition, the petition alleges that such imports materially injure, or threaten material injury to the U.S. industry.

Since Peru is not a "country under the Agreement" within the meaning of section 701(b) of the Act, section 303 applies to this investigation. However, because Peru is a member of the General Agreement on Tariffs and Trade and the cut flowers subject to this investigation are non-dutiable, the petitioner is required to allege that, and the ITC is required to determine

whether, imports of the subject merchandise materially injure, or threaten material injury to, a U.S. industry. Therefore, we are notifying the ITC of this action.

**Initiation of Investigation**

Under section 702(c) of the Act, we must determine, within 20 days after a petition is filed, whether the petition sets forth the allegations necessary for the initiation of a countervailing duty investigation, and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petition on cut flowers from Peru and have found that it meets the requirements of section 702(b) of the Act. Therefore, in accordance with section 702(c), we are initiating a countervailing duty investigation to determine whether producers or exporters in Peru of cut flowers as described in the "Scope of Investigation" section of this notice, receive benefits which constitute bounties or grants within the meaning of the Act. If our investigation proceeds normally, we will make our preliminary determination on or before August 14, 1986.

**Scope of Investigation**

The products covered by this investigation are fresh cut miniature (spray) carnations, currently provided for in item 192.17 of the *Tariff Schedules of the United States* (TSUS), pompon chrysanthemums, and gypsophila, currently provided for in item 192.21 of the TSUS.

**Allegations of Bounties or Grants**

The petition lists a number of practices by the Government of Peru which allegedly confer bounties or grants on producers or exporters in Peru of cut flowers. We are initiating an investigation on the following alleged programs:

- The Certificate of Tax Rebate (CERTEX).
- Nontraditional Export Fund (FENT).
- The Law for the Promotion of Export of Non-Traditional Goods (Export Law).

—Articles 12, 13, 14, 16, 23, 24, and 31

- Employment Benefits for Decentralized Companies.
- Regional Incentives.
- Argo-Industrial Rediscount Fund (FRAI).

We are not initiating an investigation on the following alleged programs:

- Articles 8 and 9 of the Export Law
- Petitioner alleges that Peruvian cut flower producers and exporters may benefit from Articles 8 and 9 of the Export Law, which permit exporters to

upgrade their priority level by one step. Priority levels determine the amount of net income that can be invested or reinvested free of income tax. In the *Final Affirmative Countervailing Duty Determination and Countervailing Duty Order: Certain Textile Mill Products and Apparel from Peru* (50 FR 9871) (March 12, 1985), the Department ruled that the reinvestment priority system was terminated by the General Law of Industries, enacted in 1982, and, therefore, no future benefits could be provided. Because the petitioner has not presented any new information or alleged changed circumstances with respect to Articles 8 and 9 of the Export Law, we are not initiating on this program.

• Fund for Non-Traditional Export Promotion (FOPEX) Petitioner alleges that FOPEX is an additional fund to support promotional activities, established under Title IV, Chapter III the Law for the Promotion of Nontraditional Exports. The program provides export guarantees and other forms of export financing in both the pre-shipment and post-shipment phases. In the *Final Affirmative Countervailing Duty Determination and Countervailing Duty Order: Cotton Sheeting and Satens from Peru* (48 FR 4501) (February 1, 1983), the Department ruled that FOPEX provides only general information on international trade, import/export development, export promotion programs, and international shipments and transportation; therefore, FOPEX does not confer bounties or grants. In the *Final Affirmative Countervailing Duty Determination and Countervailing Duty Order: Deformed Steel Concrete Reinforcing Bar from Peru* (50 FR 4881) (November 27, 1985), the Department ruled that FOPEX has no lending capacity. Because the petitioner has not presented any new information or alleged changed circumstances with respect to FOPEX, we are not initiating on this program.

**Notification of ITC**

Section 702(d) of the Act requires us to notify the ITC of this action and to provide it with the information we use to arrive at this determination. We will notify the ITC and make available to it all nonprivileged and nonconfidential information. We will also allow the ITC access to all privileged and confidential information in our files, provided it confirms that it will not disclose such information either publicly or under an administrative protective order without the written consent of the Deputy Assistant Secretary for Import Administration. 19

**Preliminary Determination by ITC**

The ITC will determine by July 7, 1986, whether there is a reasonable indication that imports of cut flowers from Peru materially injure, or threaten material injury to, a U.S. industry. If its determination is negative, the investigation will terminate; otherwise it will proceed according to the statutory and regulatory procedures.

This notice is published pursuant to section 702(c)(2) of the Act.

Gilbert B. Kaplan,

Deputy Assistant Secretary for Import Administration.

June 10, 1986

[FR Doc. 86-13649 Filed 6-16-86; 8:45 am]

BILLING CODE 3510-05-M

[C-301-601]

**Initiation of Countervailing Duty Investigation: Miniature Carnations From Colombia**

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**ACTION:** Notice.

**SUMMARY:** On the basis of a petition filed in proper form with the U.S. Department of Commerce, we are initiating a countervailing duty investigation to determine whether producers or exporters in Colombia of miniature carnations, as described in the "Scope of Investigation" section of this notice, receive benefits which constitute bounties or grants within the meaning of the countervailing duty law. If this investigation proceeds normally, we will make our preliminary determination on or before August 14, 1986.

**EFFECTIVE DATE:** June 17, 1986.

**FOR FURTHER INFORMATION CONTACT:** Gary Taverman, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 377-0161.

**SUPPLEMENTARY INFORMATION:**

**The Petition**

On May 21, 1986, we received a petition in proper form from the Floral Trade Council with respect to miniature carnations from Colombia. In compliance with the filing requirements of § 355.28 of the Commerce Regulations (19 CFR 355.28), the petition alleges that producers or exporters in Colombia of miniature carnations receive bounties or grants within the meaning of section 303

of the Tariff Act of 1930, as amended (the Act).

Colombia is not a country under the "Agreement" within the meaning of section 701(b) of the Act, and the merchandise being investigated is dutiable. Therefore, sections 303 (a)(1) and (b) of the Act apply to this investigation. Accordingly, petitioner is not required to allege that, and the U.S. International Trade Commission is not required to determine whether, imports of these products materially injure, or threaten material injury to, a U.S. industry.

**Initiation of Investigation**

Under section 702(c) of the Act, we must determine, within 20 days after a petition is filed, whether the petition sets forth the allegations necessary for the initiation of a countervailing duty investigation, and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petition on miniature carnations from Colombia and have found that it meets the requirements of section 702(b) of the Act. Therefore, in accordance with section 702(c), we are initiating a countervailing duty investigation to determine whether producers or exporters in Colombia of miniature carnations as described in the "Scope of Investigation" section of this notice, receive benefits which constitute bounties or grants within the meaning of the Act. If our investigation proceeds normally, we will make our preliminary determination on or before August 14, 1986.

**Scope of Investigation**

The products covered by this investigation are fresh cut miniature (spray) carnations currently provided for in item 192.17 of the *Tariff Schedules of the United States*.

**Allegations of Bounties or Grants**

The petition lists a number of practices by the Government of Colombia which allegedly confer bounties or grants on producers or exporters in Colombia of miniature carnations. We are initiating an investigation on the following alleged programs:

- Tax Reimbursement Certificate Program.
- Research and Development Program.
- Working Capital Loans.
- Preferential Capital Investment Loans under Decree 2366.
- Duty and Tax Exemptions for Capital Equipment Under Plan Vallejo.
- Preferential Export Insurance.
- Preferential Air Freight Rates.

• Regional Funding to Promote Flower Production

Although not specifically alleged by petitioner, we are also initiating an investigation to ascertain whether producers or exporters in Colombia of miniature carnations receive any benefits under the following programs:

- Preferential Export Credit Through PROEXPO.
- Credits to Export Trading Firms
- Short Term Credits for Expansion
- Credits for Export Promotion
- Credit for Raw Materials
- Benefits to Free Industrial Zones.
- Export Tax Benefits.

This notice is published pursuant to section 702(c)(2) of the Act.

Gilbert B. Kaplan,

Deputy Assistant Secretary for Import Administration.

June 10, 1986.

[FR Doc. 86-13650 Filed 6-16-86; 8:45 am]

BILLING CODE 3510-05-M

[C-337-601]

**Initiation of Countervailing Duty Investigation: Standard Carnations From Chile**

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce.

**ACTION:** Notice.

**SUMMARY:** On the basis of a petition filed in proper form with the U.S. Department of Commerce, we are initiating a countervailing duty investigation to determine whether producers or exporters in Chile of standard carnations, as described in the "Scope of Investigation" section of this notice, receive benefits which constitute subsidies within the meaning of the countervailing duty law. We are notifying the U.S. International Trade Commission (ITC) of this action, so that it may determine whether imports of the subject merchandise from Chile materially injure, or threaten material injury to, a U.S. industry. If this investigation proceeds normally, the ITC will make its preliminary determination on or before July 7, 1986, and we will make ours on or before August 14, 1986.

**EFFECTIVE DATE:** June 17, 1986.

**FOR FURTHER INFORMATION CONTACT:** Gary Taverman, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 377-0161.

**SUPPLEMENTARY INFORMATION:****The Petition**

On May 21, 1986, we received a petition in proper form from the Floral Trade Council with respect to standard carnations from Chile. In compliance with the filing requirements of § 355.26 of the Commerce Regulations (19 CFR 355.26), the petition alleges that producers or exporters in Chile of carnations receive subsidies within the meaning of section 701 of the Tariff Act of 1930, as amended (the Act). In addition, the petition alleges that such imports materially injure, or threaten material injury to, the U.S. industry.

Since Chile is a "country under the Agreement" within the meaning of section 701(b) of the Act, the ITC is required to determine whether imports of the subject merchandise from Chile materially injure, or threaten material injury to, a U.S. industry.

**Initiation of Investigation**

Under section 702(c) of the Act, we must determine, within 20 days after a petition is filed, whether the petition sets forth the allegations necessary for the initiation of a countervailing duty investigation, and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petition on standard carnations from Chile and have found that it meets the requirements of section 702(b) of the Act. Therefore, in accordance with section 703(c), we are initiating a countervailing duty investigation to determine whether producers or exporters in Chile of standard carnations as described in the "Scope of Investigation" section of this notice, receive benefits which constitute subsidies within the meaning of the Act. If our investigation proceeds normally, we will make our preliminary determination on or before August 14, 1986.

**Scope of the Investigation**

The products covered by this investigation are standard carnations, currently provided for in item 192.21 of the *Tariff Schedules of the United States*.

**Allegations of Subsidies**

The petitions lists a number of practices by the government of Chile which allegedly confer subsidies on producers or exporters in Chile of standard carnations. We are initiating an investigation of the following alleged programs:

- Export Rebate (Simplified Drawback).
- Export Credit.

- Corporacion de Fomento Loans and Debt Rescheduling.

- Preferential Exchange Rate for Repayment of Foreign Debt.

- Deferred Import Duties for Capital Goods.

- Although not specifically alleged by petitioner, we are also initiating an investigation to ascertain whether producers or exporters in Chile of standard carnations receive any benefits under the following program because we have information indicating that such programs may provide subsidies:

- Stamp and Seal Tax Exemption.
- Export Rebate of VAT.
- Tax Rebate on Fixed Assets.
- Currency Retention Scheme (Foreign Trade Zones).
- Export Credit Limits.

**Notification of ITC**

Section 702(d) of the Act requires us to notify the ITC of this action and to provide it with the information we used to arrive at this determination. We will notify the ITC and make available to it all nonprivileged and nonconfidential information. We will also allow the ITC access to all privileged and confidential information in our files, provided it confirms that it will not disclose such information either publicly or under an administrative protective order without the written consent of the Deputy Assistant Secretary for Import Administration.

**Preliminary Determination by ITC**

The ITC will determine by July 7, 1986, whether there is a reasonable indication that imports of standard carnations from Chile materially injure, or threaten material injury to, a U.S. industry. If its determination is negative, the investigation will terminate; otherwise it will proceed according to the statutory and regulatory procedures.

This notice is published pursuant to section 702(c)(2) of the Act.

**Gilbert B. Kaplan,**

*Deputy Assistant Secretary for Import Administration.*

June 10, 1986.

[FR Doc. 86-13651 Filed 6-16-86; 8:45 am]

BILLING CODE 3510-06-M

PDF Create! 6 Trial  
www.nuance.com

APPENDIX C

LIST OF WITNESSES APPEARING AT THE CONFERENCE

PDF Created by Trial  
www.nuance.com

UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, DC

CALENDAR OF PUBLIC CONFERENCE

Investigations Nos. 303-TA-17 and 18, 701-TA-275 through 278,  
and 731-TA-327 through 334 (Preliminary)

CERTAIN FRESH CUT FLOWERS FROM CANADA, CHILE, COLOMBIA, COSTA RICA,  
ECUADOR, ISRAEL, KENYA, MEXICO, THE NETHERLANDS, AND PERU

Those listed below appeared as witnesses at the United States  
International Trade Commission's conference held in connection with the  
subject investigations on June 13, 1986, in the the Hearing Room of the USITC  
Building, 701 E Street, NW, Washington, DC.

In support of the petition

Stewart and Stewart--Counsel  
Washington, DC  
on behalf of

Floral Trade Council

Arne Thirup, Chairman of Floral Trade Council

Ray Hasek, Executive Secretary, California Floral Council

Dick Kingman, Executive Vice President, California Floral Council

Jane Restum, Executive Director, Florida Flower Association, Inc.

Wim Zwinkels, Gold Coast Uanko Nursery

Fred Van Wingerden, Topstar Nursery Company

Vincent E. Choate, Hollandia Wholesale Florist

Leonard "Butch" Coward, Burdette Coward & Co., Inc.

Whiting H. Preston II, Manatee Fruit Co.

Dick Hupfel, Monterey Flower Farms

Eugene L. Stewart--OF COUNSEL



In opposition to the petition

Heron, Burchette, Ruckert & Rothwell--Counsel  
Washington, DC  
on behalf of

The Asociacion Colombiana de Exportadores de Flores  
(Asocolflores)  
Association of Floral Importers of Florida (A.F.I.F.)  
Richard B. Perillo, President, Superior Florals, Inc.

Thomas A. Rothwell )  
Joseph A. Vicario, Jr.)--OF COUNSEL

Bregman, Abell, Kay & Simon--Counsel  
Washington, DC  
on behalf of

Asociacion Nacional de Productores y Exportadores  
Ornamentales de Mexico A.C. (ANAPROMEX)

Leslie Allan Glick--OF COUNSEL

Gustave Springer, Esq.  
New York, NY  
on behalf of

THE Netherlands Association of Wholesalers in Floricultural  
Products

Gustave Springer--OF COUNSEL

McDermott, Will & Emery--Counsel  
Washington, DC  
on behalf of

Asociacion de Productores y Exportadores de Flores (Expoflores)

John Hodges )  
Lizbeth Levinson)--OF COUNSEL

Prather Seeger Doolittle & Farmer--Counsel  
Washington, DC  
on behalf of

Flores Esmeralda S.C.R.L.

Edwin H. Seeger)  
Gary M. Welsh )--OF COUNSEL

Klayman & Gurley, P.C.--Counsel  
Washington, DC  
on behalf of

Peruvian Committee of Flower Exporters (PCFE)

Larry Klayman--OF COUNSEL

The Ministry of Export of Costa Rica and the flower producers  
of Costa Rica

Rodrigo A. Sotela, Minister Counselor for Economic Affairs of  
the Embassy of Costa Rica.

Rodolfo Castro, Minister of Exports of Costa Rica

APPENDIX D

SOURCES OF INFORMATION ON THE U.S. INDUSTRY

PDF Create6 Trial  
www.nuance.com

Sources of information on the U.S. industry

There are three principal sources of information on the U.S. industry producing certain fresh cut flowers: published statistics of the U.S. Department of Agriculture (USDA), data submitted in response to Commission questionnaires, and data submitted by the petitioner.

USDA statistics cover carnations and chrysanthemums for the years 1981, 1984, and 1985. <sup>1/</sup> For the periods January-March 1985 and January-March 1986, USDA statistics cover carnations, chrysanthemums, and gypsophila. <sup>2/</sup> To compile its statistics, USDA conducts an annual questionnaire survey of all known growers in the 28 States that are the nation's largest flower-producing States. For its 1985 figures, USDA surveyed a larger group of companies than it had surveyed in the past; therefore, complete 1985 survey results are not comparable to those of prior years. For purposes of this report, the data that are comparable between 1984 and 1985 are used (Floriculture Crops, March 1986, pp. 82-83).

Commission questionnaires were mailed to approximately 75 growers. Sixteen usable responses were received from growers whose 1985 shipments accounted for 9 percent of U.S. shipments as reported in USDA statistics. The petitioner also gathered independent questionnaire data. The petitioner received approximately 90 responses from growers whose 1985 shipments accounted for 33 percent of U.S. shipments as reported in USDA statistics. The petitioner submitted its questionnaire data in disaggregated form, as well as aggregates based on that data, to the Commission staff. The staff analyzed data gathered by Commission questionnaires and by the petitioner in preparing this report. Such data are the only source of information on flowers that are not covered by USDA statistics, that is, alstroemeria, gerberas, and (for 1983-85) gypsophila.

The different sources of data for carnations and chrysanthemums on the one hand and alstroemeria, gerberas, and gypsophila on the other require estimates to be made in order to obtain approximately comparable data on each of the seven flowers. This estimate is performed by (1) calculating the ratio of questionnaire-data carnations and chrysanthemums to USDA-data carnations and chrysanthemums, and then (2) increasing questionnaire-data alstroemeria (or gerberas or gypsophila) by that ratio. In this report, where data for all seven flowers are directly compared or aggregated, this estimate has been made. The questionnaire data being manipulated are either petitioner's data or data from Commission questionnaires. The two sources of data are treated separately in this report.

In addition, in order to provide comparable data on all seven of the specified flowers, the reported quantities of the flowers are converted to a uniform unit. Miniature carnations, pompom chrysanthemums, and gypsophila are typically sold and reported in bunches. In this report, when comparing data among flowers, bunches have been converted to stems. For U.S. shipments, the petitioner's conversion factors are used when shipment estimates are based on the petitioner's data, and conversion factors calculated from Commission questionnaires are used when shipment estimates are based on Commission questionnaires.

---

<sup>1/</sup> USDA, Floriculture Crops, March 1986 and March 1985.

<sup>2/</sup> USDA, Fresh Fruit and Vegetables--Ornamental Crops, Weekly Summary-- Shipments and Arrivals. B-28

**APPENDIX E**  
**SUPPLEMENTAL TABLES**

PDF Create6 Trial  
www.nuance.com

Table E-1.--Certain fresh cut flowers: Area in production, 1983-85,  
January-March 1985, and January-March 1986

(In thousands of square feet, except as noted)

Item	1983	1984	1985	January-March--	
				1985	1986
Commission questionnaires:					
Standard carnations.....	1,353	1,394	1,333	1,346	1,285
Miniature carnations.....	573	651	728	724	735
Standard chrysanthemums..	460	448	436	234	234
Pompom chrysanthemums....	3,022	3,082	3,177	2,659	2,479
Alstroemeria.....	***	***	***	***	***
Gerberas.....	***	***	***	***	***
Gypsophila.....	***	***	***	***	***
Subtotal.....	8,214	9,022	10,640	9,929	9,635
Other fresh cut flowers..	74,111	76,049	76,025	76,027	75,874
Total.....	82,325	85,071	86,665	85,956	85,509
Petitioner's questionnaires:					
Standard carnations.....	4,796	4,708	4,768	1/	1/
Miniature carnations.....	1,673	1,562	1,682	1/	1/
Standard chrysanthemums..	2,307	2,243	2,154	1/	1/
Pompom chrysanthemums....	10,363	9,714	10,042	1/	1/
Alstroemeria.....	346	550	630	1/	1/
Gerberas.....	400	465	516	1/	1/
Gypsophila.....	9,648	12,363	14,590	1/	1/
Subtotal.....	29,533	31,605	34,382	1/	1/
Other fresh cut flowers..	108,069	109,274	110,552	1/	1/
Total.....	137,602	140,879	144,934	1/	1/

1/ Not available.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission, and data submitted by the petitioner.

Table E-2.--Certain fresh cut flowers: U.S. producers' shipments (based on data submitted in Commission questionnaires and provided by the petitioner), 1983-85, January-March 1985, and January-March 1986

Item	1983	1984	1985	January-March--	
				1985	1986
	Quantity				
Commission questionnaires:					
Standard carnations					
1,000 stems..	26,131	25,051	22,520	5,663	5,676
Miniature carnations					
1,000 bunches..	674	1,072	1,156	224	267
Standard chrysanthemums					
1,000 stems..	2,436	2,200	1,369	374	421
Pompom chrysanthemums					
1,000 bunches..	3,822	3,638	4,135	672	652
Alstroemeria					
1,000 stems..	***	***	931	106	139
Gerberas.....do....	***	***	***	***	***
Gypsophila					
1,000 bunches..	***	***	***	***	***
Petitioner's data:					
Standard carnations					
1,000 stems..	86,310	89,149	88,374	1/	1/
Miniature carnations					
1,000 bunches..	2,771	2,930	3,196	1/	1/
Standard chrysanthemums					
1,000 stems..	15,250	15,059	13,413	1/	1/
Pompom chrysanthemums					
1,000 bunches..	15,111	14,649	15,173	1/	1/
Alstroemeria					
1,000 stems..	3,729	7,075	10,828	1/	1/
Gerberas.....do....	3,277	4,642	4,915	1/	1/
Gypsophila					
1,000 bunches..	1,274	1,388	1,380	1/	1/
	Value (1,000 dollars)				
Commission questionnaires:					
Standard carnations.....	3,406	3,159	2,835	906	915
Miniature carnations.....	1,115	1,558	1,561	329	405
Standard chrysanthemums..	916	797	622	167	183
Pompom chrysanthemums....	5,620	4,938	5,385	1,237	1,261
Alstroemeria.....	***	***	164	31	37
Gerberas.....	***	***	***	***	***
Gypsophila.....	***	***	***	***	***
Subtotal.....	12,125	11,510	11,516	2,932	3,095
Other cut flowers.....	8,238	8,967	8,582	1,341	1,550
Total.....	20,363	20,477	20,098	4,273	4,645

See footnote at end of table.

Table E-2.--Certain fresh cut flowers: U.S. producers' shipments (based on data submitted in Commission questionnaires and provided by the petitioner), 1983-85, January-March 1985, and January-March 1986--Continued

Item	1983	1984	1985	January-March--	
				1985	1986
	Value (1,000 dollars)				
Petitioner's data:					
Standard carnations.....	11,829	12,322	11,849	1/	1/
Miniature carnations.....	4,073	4,295	4,263	1/	1/
Standard chrysanthemums..	3,970	3,888	3,611	1/	1/
Pompom chrysanthemums...	18,363	17,597	17,565	1/	1/
Alstroemeria.....	966	1,555	2,048	1/	1/
Gerberas.....	769	1,013	1,166	1/	1/
Gypsophila.....	2,614	2,832	2,547	1/	1/
Subtotal.....	42,584	43,502	43,049	1/	1/
Other cut flowers.....	13,451	15,041	15,601	1/	1/
Total.....	56,035	58,543	58,650	1/	1/
	Unit value				
Commission questionnaires:					
Standard carnations					
per stem..	\$0.13	\$0.13	\$0.13	\$0.16	\$0.16
Miniature carnations					
per bunch..	1.65	1.45	1.35	1.47	1.52
Standard chrysanthemums					
per stem..	.38	.36	.45	.45	.43
Pompom chrysanthemums					
per bunch..	1.47	1.36	1.30	1.41	1.50
Alstroemeria per stem..	.26	.22	.18	.29	.27
Gerberas.....do....	.15	.09	.23	.23	.23
Gypsophila..per bunch..	2.40	2.16	1.78	2.84	3.49
Petitioner's data:					
Standard carnations					
per stem..	\$0.14	\$0.14	\$0.13	1/	1/
Miniature carnations					
per bunch..	1.47	1.47	1.33	1/	1/
Standard chrysanthemums					
per stem..	.26	.26	.27	1/	1/
Pompom chrysanthemums					
per bunch..	1.22	1.20	1.16	1/	1/
Alstroemeria per stem..	.26	.22	.19	1/	1/
Gerberas.....do....	.23	.22	.24	1/	1/
Gypsophila..per bunch..	2.05	2.04	1.85	1/	1/

1/ Not available.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission, and data submitted by the petitioner.



Table E-3.--Certain fresh cut flowers: U.S. producers' shipments, (based on estimates from Commission questionnaires), 1984-85, January-March 1985, and January-March 1986 <sup>1/</sup>

Item	1984	1985	January-March--	
			1985	1986
	Quantity (1,000 stems) <sup>2/</sup>			
Standard carnations <sup>3/</sup> .....	292,593	288,170	68,583	67,846
Miniature carnations <sup>3/</sup> .....	* 109,112	* 122,119	* 24,560	* 19,645
Standard chrysanthemums <sup>3/</sup> .....	67,113	58,732	15,744	10,527
Pompom chrysanthemums <sup>3/</sup> .....	199,938	217,608	* 51,974	* 47,212
Alstroemeria <sup>4/</sup> .....	* ***	* 10,488	* ***	* ***
Gerberas <sup>4/</sup> .....	* ***	* ***	* ***	* ***
Gypsophila <sup>4/</sup> .....	* ***	* ***	* 32,806	* 21,060
Total.....	* 743,225	* 781,503	* 195,715	* 168,539
	Value (1,000 dollars)			
Standard carnations.....	37,934	45,505	<u>5/</u>	<u>5/</u>
Miniature carnations.....	14,796	18,780	<u>5/</u>	<u>5/</u>
Standard chrysanthemums.....	22,335	27,540	<u>5/</u>	<u>5/</u>
Pompom chrysanthemums.....	38,846	43,345	<u>5/</u>	<u>5/</u>
Alstroemeria.....	* ***	* 2,131	<u>5/</u>	<u>5/</u>
Gerberas.....	* ***	* ***	<u>5/</u>	<u>5/</u>
Gypsophila.....	* ***	* ***	<u>5/</u>	<u>5/</u>
Total.....	* 125,442	* 149,631	<u>5/</u>	<u>5/</u>
	Unit value (per stem)			
Standard carnations.....	\$0.13	\$0.16	<u>5/</u>	<u>5/</u>
Miniature carnations.....	* .14	* .15	<u>5/</u>	<u>5/</u>
Standard chrysanthemums.....	.33	.47	<u>5/</u>	<u>5/</u>
Pompom chrysanthemums.....	.19	.20	<u>5/</u>	<u>5/</u>
Alstroemeria.....	* .22	* .20	<u>5/</u>	<u>5/</u>
Gerberas.....	* .09	* .26	<u>5/</u>	<u>5/</u>
Gypsophila.....	* .15	* .14	<u>5/</u>	<u>5/</u>
Average.....	* .17	* .19	<u>5/</u>	<u>5/</u>

1/ An asterisk beside a number indicates that the number is different from the corresponding figure in table 6.

2/ Quantities in bunches of miniature carnations, pompom chrysanthemums, and gypsophila are converted to stems using data from Commission questionnaires.

3/ Data for shipments of carnations and chrysanthemums during January-March 1985 and January-March 1986 are estimated by using shipments from California and Florida during the period indicated (as reported by USDA, Ornamental Crops) and multiplying them by the ratio of California and Florida 1985 shipments to U.S. 1985 shipments (as reported by USDA, Floriculture Crops).

4/ Data for alstroemeria, gerberas, and gypsophila are estimated using data from Commission questionnaires, but using USDA statistics for gypsophila for the partial years. Therefore, data on gypsophila for the partial years are not comparable to that for the full years.

5/ Not available.

Source: Compiled from U.S. Department of Agriculture, Floriculture Crops, March 1986 and March 1985, and Ornamental Crops, 1986; and data submitted in response to questionnaires of the U.S. International Trade Commission.

PDF Create! 6 Trial  
www.nuance.com

APPENDIX F

HIGH AND LOW PRICES FOR CERTAIN FRESH CUT FLOWERS

PDF Creator Trial  
www.nuance.com

Table F-1.--Certain fresh cut flowers: High and low domestic prices for the first week of each month, January 1984-March 1986

	Carnations		Miniature carnations		Chrysanthemums		Pompon Chrysanthemums		Alstroemeria		Gypsophila	
	-per bloom-	-per bunch-	-per stem-	-per bunch-	-per stem-	-per bunch-	-per stem-	-per bunch-	-per bunch of 10-	-per bunch-	-per bunch-	-per bunch-
	H	L	H	L	H	L	H	L	H	L	H	L
1984:												
January.....	\$0.18	\$2.00	\$0.52	\$2.50	\$0.52	\$1.25	\$1.50				\$1.75	\$3.00
February.....	.28	2.50	.58	3.00	.62	1.60	2.10				2.25	2.75
March.....	.12	1.50	.34	1.95	.38	1.35	2.35		\$4.50		1.00	3.10
April.....	.11	1.25	.42	1.75	.48	1.00	1.50		3.00		1.50	2.00
May.....	.26	3.00	.50	3.50	.56	1.50	2.00		4.00		2.00	3.25
June.....	.12	1.00	.44	1.50	.52	.95	1.25		1.50		1.00	1.25
July.....	.10	1.25	.40	1.50	.46	1.00	1.25		1.50		1.00	1.50
August.....	.12	1.50	.38	1.50	.44	.80	1.25		3.00		1.25	1.40
September.....	.12	1.25	.30	1.50	.36	.90	1.35		4.00		2.00	2.00
October.....	.14	1.50	.38	1.75	.44	1.20	1.35				2.50	3.00
November.....	.16	2.00	.46	2.25	.48	1.00	1.35				2.50	3.00
December.....	.20	2.00	.48	2.50	.48	1.00	1.50				2.00	3.10
1985:												
January.....	.18	2.00	.50	2.50	.60	1.30	1.75				2.50	3.00
February.....	.26	2.50	.52	3.00	.56	1.85	2.50				2.50	3.50
March.....	.12	1.00	.48	1.25	.52	1.25	2.00				1.00	1.50
April.....	.14	1.75	.50	2.25	.56	1.50	2.25				1.25	3.10
May.....	.18	1.75	.46	2.25	.52	1.50	2.25		2.50		2.00	3.00
June.....	.10	.75	.38	1.25	.40	.85	1.30		1.50		.75	1.25
July.....	.10	1.00	.32	1.25	.38	.75	1.25		2.00		.75	1.25
August.....	.12	1.25	.38	1.75	.42	.90	1.25		2.50		1.50	2.00
September.....	.12	1.50	.34	2.00	.40	.70	1.25		3.00		1.50	2.00
October.....	.14	1.75	.38	2.00	.42	.90	1.25		3.50		1.00	1.75
November.....	.12	1.50	.42	1.75	.48	1.00	1.35		4.00		1.50	2.50
December.....	.18	2.00	.50	2.50	.54	1.45	2.00		4.50		2.00	3.50
1986:												
January.....	.16	1.50	.56	2.00	.58	1.25	1.75		5.00		1.25	2.50
February.....	.26	2.75	.54	3.00	.58	1.50	2.50		5.00		2.50	4.00
March.....	.14	1.25	.50	1.50	.54	1.20	1.65		4.00		1.50	3.10

Source: USDA, Ornamental Crops National Market Trends.

Table F-2.--Certain fresh cut flowers: High and low import prices for the first week of each month, January 1984-March 1986

	Fancy Carnations		Miniature Carnations		Chrysanthemums -per stem-		Chrysanthemums -per bunch-		Alstromeria -per bunch of 10-		Gypsophila -per bunch-	
	H	L	H	L	H	L	H	L	H	L	H	L
1984:												
January.....	\$0.10	\$0.11	\$1.25	\$1.40	\$0.50	\$0.60	\$0.50	\$1.00	-	-	\$3.50	\$4.50
February.....	.26	.28	1.85	2.50	.50	.50	2.00	2.25	-	-	3.50	4.50
March.....	.07	.08	1.25	1.50	.30	.41	.90	1.25	-	-	1.50	1.75
April.....	.07	.08	1.00	1.25	.26	.45	1.00	1.25	-	-	1.50	2.50
May.....	.24	.26	3.00	3.00	.40	.50	1.75	2.50	-	-	3.00	4.60
June.....	.08	.09	1.25	1.25	.30	.42	1.00	1.30	-	-	1.50	3.20
July.....	.12	.12	1.25	1.60	.28	.40	.90	1.15	-	-	1.75	2.50
August.....	.09	.10	1.50	1.50	.25	.30	.65	.85	-	-	2.50	2.50
September.....	.09	.10	1.25	1.50	.25	.40	.80	1.00	-	-	3.00	3.00
October.....	.10	.12	1.75	2.00	.30	.40	1.20	1.25	-	-	3.75	5.35
November.....	.08	.09	1.35	1.50	.40	.42	1.40	1.55	-	-	4.90	5.00
December.....	.07	.09	1.00	1.25	.40	.40	.75	1.10	-	-	4.00	5.00
1985:												
January.....	.07	.08	.75	1.00	.45	.45	1.25	1.40	-	-	3.00	4.50
February.....	.24	.27	2.75	2.75	.60	.60	2.25	2.25	-	-	4.00	4.00
March.....	.07	.09	1.00	1.00	.60	.60	1.00	1.15	-	-	1.00	1.00
April.....	.10	.12	1.75	1.75	.50	.60	2.25	2.25	-	-	1.00	1.50
May.....	.20	.22	2.00	2.35	.40	.50	2.00	2.25	-	-	2.00	2.25
June.....	.04	.04	.75	1.00	.28	.30	.75	1.00	-	-	2.00	2.00
July.....	.10	.12	.85	1.00	.25	.30	.85	.85	-	-	2.50	3.00
August.....	.12	.12	1.65	1.75	.20	.25	.50	.60	-	-	3.00	3.00
September.....	.07	.08	1.75	1.75	.28	.40	.75	.75	-	-	3.00	3.00
October.....	.04	.04	1.25	1.35	.25	.30	1.00	1.10	-	-	1.75	2.00
November.....	.05	.06	.75	1.00	.30	.30	.80	.90	-	-	1.50	1.75
December.....	.10	.11	2.50	2.50	.30	.35	1.10	1.10	-	-	2.50	2.50
1986:												
January.....	.10	.11	.50	2.75	.40	.40	.85	.85	-	-	3.50	3.50
February.....	.22	.24	1.50	1.75	.40	.45	1.00	1.20	-	-	4.50	4.50
March.....	.13	.14	1.00	1.10	.40	.50	1.15	1.25	-	-	3.00	3.00

Source: USDA, Ornamental Crops National Market Trends.

PDF Create! 6 Trial  
www.nuance.com

PDF Create! 6 Trial  
[www.nuance.com](http://www.nuance.com)