FRESH CUT ROSES FROM COLOMBIA

Determination of the Commission in Investigation No. 731-TA-148 (Final) Under the Tariff Act of 1930, Together With the Information Obtained in the Investigation

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Note.--Information which would reveal the confidential operations of individual concerns may not be published and therefore has been deleted from this report.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.

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UNITED STATES INTERNATIONAL TRADE COMMISSION Washington, D.C.

Investigation No. 731-TA-148 (Final) FRESH CUT ROSES FROM COLOMBIA

Determination

On the basis of the record $\underline{1}$ / developed in investigation no. 731-TA-148 (Final), the Commission determines, pursuant to section 735(b) of the Tariff Act of 1930 (19 U.S.C. § 1673d(b)), that an industry in the United States is not materially injured or threatened with material injury, $\underline{2}$ / nor is the establishment of an industry in the United States materially retarded, by reason of imports from Colombia of fresh cut roses, provided for in item 192.18 of the Tariff Schedules of the United States (TSUS), which the Department of Commerce has found are being, or are likely to be, sold in the United States at less than fair value (LTFV).

Background

The Commission instituted this final investigation, effective March 14, 1984, following a preliminary determination by the Department of Commerce that imports of fresh cut roses from Colombia are being, or are likely to be, sold in the United States at LTFV. Commerce's preliminary determination was published in the <u>Federal Register</u> of March 14, 1984.

Notice of the institution of the Commission's investigation and of the public hearing 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, D.C., and by publishing the notice in the <u>Federal</u> <u>Register</u> of April 4, 1984 (49 F.R. 13440). The hearing was held in

<u>1</u>/ The "record" is defined in section 207.2(i) of the Commission's <u>Rules of</u> <u>Practice and Procedure</u> (19 C.F.R. § 207.2(i)).

^{2/} Commissioner Eckes dissenting and Vice Chairman Liebeler not participating.

Washington, D.C. on July 30, 1984, and all persons who requested the opportunity were permitted to appear in person or through counsel. The Commission's determination in this investigation was made in an open "Government in the Sunshine" meeting held on August 28, 1984.

On September 30, 1983, petitions were filed with the Commission and the U.S. Department of Commerce by counsel on behalf of Roses, Inc. The petitions alleged that fresh cut roses imported from Colombia were being, or were likely to be, sold in the United States at LTFV, and that such imports were causing material injury or the threat thereof to the U.S. industry producing fresh cut roses. Accordingly, the Commisson instituted investigation no. 731-TA-148 (Preliminary) to determine whether there was a reasonable indication that an industry in the United States was materially injured or was threatened with material injury, or whether the establishment of an industry was materially retarded, by reason of imports of such merchandise.

In November 1983 the Commission notified the Commerce Department of its affirmative determination with respect to the preliminary investigation of imports from Colombia. Notice of the Commission's preliminary determination was published in the <u>Federal Register</u> of November 25, 1983 (48 F.R. 53188). As a result, Commerce continued its investigation into alleged LTFV sales of fresh cut roses from Colombia. Commerce's final determination with respect to LTFV imports from Colombia was published in the <u>Federal Register</u> of August 1, 1984 (49 F.R. 30765).

VIEWS OF CHAIRWOMAN STERN, COMMISSIONER LODWICK, AND COMMISSIONER ROHR We determine that an industry in the United States is not materially injured or threatened with material injury by reason of imports of fresh cut roses from Colombia, which are sold at less than fair value ("LTFV"). 1/

Summary

Imports of fresh cut roses from Colombia have had no material impact on the domestic industry, in spite of a sharp increase in imports during January 1981-March 1984, the period under investigation. The domestic industry is in a healthy condition; domestic production, shipments, profits, and productivity have all increased. Further, the increase in U.S. consumption more than accounts for the increase in imports from Colombia. Average prices for domestic roses also increased steadily. Although in some instances the imported roses from Colombia have undersold domestic roses, in a number of instances, the imported roses from Colombia oversold domestic roses on a delivered basis. Potential increases in imports from Colombia present no threat of material injury to the domestic industry because the industry has exhibited the strength to withstand import competition, and the projected increase in imports is small relative to the domestic market and past increases.

1/ Material retardation of the establishment of an industry in the United States is not an issue in this investigation and will not be discussed further.

Industry and like product

We adopt the definition of the domestic industry in our preliminary determinations. 2/3/4/ All the parties have agreed with this definition and there are no other facts that would cause us to change this determination. Therefore, we determine that the like product consists of all types of fresh cut roses, and accordingly, the domestic industry consists of the domestic producers of fresh cut roses.

Condition of the domestic industry 5/

The domestic industry is in a healthy condition. Although the upward trends in this industry have been strong, trends in the Western United States have been noticeably stronger than in the East. Over the past three decades there has been a shift in concentration in U.S. production away from many small local growers in the Eastern and Midwestern United States to larger and more efficient growers in the West, particularly California. Thus, California

2/ The term "industry" is defined in section 771(4)(A) of the Tariff Act of 1930 as "the domestic producers as a whole of the like product or those producers whose collective output of the like product constitutes a major proportion of the total domestic production of that product." 19 U.S.C. § 1677(4)(A). "Like product," in turn, is defined in section 771(10) as being "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation." 19 U.S.C. § 1677(10).

3/ See Fresh Cut Roses from Colombia, Inv. No. 731-TA-148 (Preliminary), USITC Pub. 1450 (1983) at 10 and 16. Although Chairwoman Stern agreed with the majority position on the definition of the domestic industry in the preliminary investigation, she dissented from the majority's affirmative determination, finding that there was no reasonable indication of material injury or threat of injury to domestic producers, by reason of imports from Colombia.

4/ Commissioner Rohr did not participate in that determination.

 $\overline{5}$ / The Commission obtained usable data from 73 growers that account for approximately 53 percent of the domestic industry's production in the investigative period. The data include corrections, revisions, and clarifications submitted by the petitioner upon certification by the individual rose growers.

growers currently dominate the U.S. industry in terms of production and shipments. $\underline{6}/$

Domestic production of salable rose blooms increased steadily, from 259 million blooms in 1981 to 260 million blooms in 1982, and then to 275 million blooms in 1983. In January-March 1984, salable blooms increased again to 60 million blooms as compared with 57 million blooms in January-March 1983. $\underline{7}$ Although the production of blooms by Eastern growers fell slightly less than one percent from 73.4 million to 72.8 million blooms during 1981-83, salable blooms produced by the Western growers increased by 9.4 percent. $\underline{8}$ /

During the period of investigation, the number of rose plants in production decreased, but the average yield per rose plant steadily increased during the period from 24.9 blooms per plant in 1981 to 26.9 blooms per plant in 1983. 9/ Thus, the decline in the number of rose plants in production could be at least partially attributable to increases in productivity per plant. The space devoted to rose production in the United States also steadily increased from 16,784 thousand square feet in 1981 to 16,835 thousand square feet in 1982, and then to 16,938 thousand square feet in 1983. Space for fresh cut roses increased again to 17,206 thousand square feet in January-March 1984 as compared with 16,829 thousand square feet in January-March 1983. 10/

Domestic salable blooms sold increased steadily by 6.5 percent, from 251 million blooms in 1981 and 1982 to 266 million blooms in 1983. Sales also increased more than 5 percent in January-March 1984 to 58 million blooms as

<u>6</u> /	' Report		of	the	Commission	("Report")	at A-89.
<u>1</u> /	<u>Iđ</u> .	at	A-1	L3.			
<u>8</u> /	<u>Iđ</u> .	at	A-9	90.			
<u>9</u> /	<u>Iđ</u> .	at	A-1	L3.			
<u>10</u> /	<u>Id</u> .	at	A-1	12.			

compared with 55 million blooms in January-March 1983. <u>11</u>/ The value of these sales also increased from \$62 million in 1981 to \$67 million in 1982, and then to \$76 million in 1983. The value of these sales increased as well again to \$25 million in January-March 1984 as compared with \$23 million in January-March 1983. 12/

Although employment of production and related workers producing fresh cut roses fell by approximately 2.5 percent in 1983, productivity increased by approximately 3 percent from 68.8 blooms per hour in 1981 to 70.6 blooms per hour in 1983. <u>13</u>/ Furthermore, wages paid to production and related workers increased steadily from \$16.7 million in 1981 to \$19.3 million in 1983, and then increased again to \$4.7 million in January-March 1984 as compared with \$4.4 million in January-March 1983. <u>14</u>/

Net income before taxes increased steadily from \$1.9 million in 1981 to \$2.7 million in 1982, and then to \$3.7 million in 1983. <u>15</u>/ Net income for Eastern and California growers also increased steadily from 1981-83. Although net income for Eastern growers declined to a loss in January-March 1984 as compared with the same period in January-March 1983, net income for the

<u>15/ Id.</u> at A-20. If the item "other income" is excluded from the 53 reporting growers' operating results, they would have sustained aggregate losses equal to 1.1 percent and 0.5 percent of net sales, respectively, in 1981 and 1982, and they would have earned an operating income equal to 1.7 percent of net sales in 1983. Including officers' and partners' salaries, the 53 reporting growers' net return on sales would have ranged upward from 4.0 percent of net sales in 1981 to 6.7 percent in 1983. The basic trend is the same whether or not "other income" is included as a legitimate income item.

The primary reason for including the item "other income" in the income-and-loss presentation for fresh cut roses is that some of the costs incurred in maintaining such income cannot be segregated from the growers' operating expenses.

<u>11/ Id</u>. at A-15.

<u>12/ Id</u>.

^{13/} Id. at A-18.

<u>14/ Id</u>. at A-17.

California growers declined only slightly in January-March 1984, and remained substantially above the net income earned during the full years 1981-83. <u>16</u>/

No material injury by reason of LTFV imports

Almost all of the injury factors examined by the Commission show upward trends. These upward trends have occurred while imports from Colombia have increased substantially, indicating that imports are not having any material impact on the domestic industry.

Imports from Colombia increased substantially during the investigative period from 52.9 million blooms in 1981 to 75.4 million blooms in 1982, and then to 98.7 million blooms in 1983. Imports from Colombia increased again to 31.6 million blooms in January-March 1984 as compared with 22 million blooms in January-March 1983. <u>17</u>/ At the same time, U.S. consumption rose dramatically during the period under investigation. Apparent U.S. consumption increased 18 percent from 524.3 million blooms in 1981 to 548.5 million blooms in 1982, and then 14 percent to 616.3 million blooms in 1983. <u>18</u>/ U.S. consumption rose again to 149.9 million blooms in January-March 1984 as compared with 131 million blooms in January-March 1983. <u>19</u>/ This rise in the U.S. consumption, a quantity equal to twice the size of the rise in imports from Colombia over the period, not only accounted for the increase in imports, but also stimulated an increase in domestic rose production.

It does not appear that imports suppressed or depressed domestic prices. The selling prices of domestic roses generally increased during the period of

<u>16/ Id.</u> at A-21-A-23. <u>17</u>/ This increase in imports from Colombia parallels increases from all other sources. <u>Id.</u> at A-30. <u>18</u>/ U.S. consumption includes production data that were extrapolated to the universe of rose grower production reported by the U.S. Department of Agriculture ("USDA") for 1981 (the last year USDA published data) with adjustments to include all 50 States. 19/ Report at A-9-A-10.

investigation. For sales of hybrid tea roses to wholesale florists, the product and market accounting for almost all of the direct competition between domestic and imported Colombian roses, <u>20</u>/ the January-March average price of domestic roses increased steadily from 1982 to 1984 by 8 percent. <u>21</u>/ <u>22</u>/ On an annual basis, from 1982 to 1983, prices of domestic roses increased by 6 percent, compared to a 3.4 percent increase in the Producer Price Index ("PPI") for consumer nondurables during this period. The selling prices of domestic hybrid tea roses to retail florists showed some softness, declining by 1 percent during the January-March period of each year under investigation and rising by only 2 percent on the annual basis. However, since the vast majority of Colombian imports are sold in the wholesale market, this result cannot be attributable to the imports from Colombia. The few reported sales of imported Colombian roses to this market segment suggest that imported roses are not directly affecting domestic prices.

Furthermore, sales of domestic sweetheart roses to wholesale florists and to retail florists increased, on the January-March basis by 7 and 18 percent, respectively, and on the annual basis by 7 and 5 percent, respectively. These increases are above the increases in the PPI which were cited previously.

The unit value for these blooms also steadily increased from 24.6 cents per bloom in 1981 to 28.7 cents per bloom in 1983. <u>23</u>/ Although the quantity

20/ Based on the usable reported price data, domestic rose growers sold 70 percent of their roses to wholesale florists, and importers of Colombian roses sold almost 100 percent of their roses to wholesale florists. In addition, hybrid tea roses accounted for 75 percent of domestic growers' and almost 100 percent of the importers' reported rose sales. Id. at A-34.

21/ The January-March period is the period of the year when rose growers sell most of their production in terms of dollar value. During this period, rose growers are able to command the highest prices because of high demand resulting from such holidays as Valentine's Day.

 $\frac{22}{1}$ In comparison the quarterly PPI for consumer nondurable goods (excluding food and fuel) also increased by 8 percent during this period. 23/ Report at A-15.

of sales declined slightly for the Eastern growers from 1981 to 1983, the quantity of sales for the Western growers increased substantially during the same period. 24/ The value of these sales and the unit value also increased steadily during the period for both the Eastern and the Western

growers. 25/ 26/

Although the 110 delivered price comparisons between domestic and imported Colombian roses showed 62 instances of underselling, which averaged approximately 20 percent, they also showed 43 instances of overselling, which averaged approximately 18 percent. The purchasers who reported these delivered prices generally stated that they bought the imported Colombian roses in addition to, rather than instead of, domestic roses. The most frequently cited reason for buying the Colombian roses was to fill shortfalls in domestic supply. <u>27</u>/

A significant amount of the apparent underselling appears to have resulted from comparing locally grown and marketed roses with the imported roses. Domestic roses sold in the market area where they are grown typically carry a price premium over the imported Colombian roses and other U.S. roses sold in that same area. This premium results from many factors including the fact that locally grown roses are generally fresher, and local rose suppliers

<u>24/ Id</u>. at A-91.

 $\frac{26}{10}$ In addition to overall price suppression, petitioners also argued that a direct effect of the Colombian imports was to suppress domestic prices in the Western United States. Petitioners contended that, because Colombian market share in the East increased from 42 percent to 51 percent, Western growers were forced to "retrench" away from the Eastern market, which resulted in increased supply and lower prices in the West. However, this does not appear to be the case, because Western shipments to the Eastern market increased 9 percent from 1982 to 1983, and 6 percent in 1983. Also, the unit value of roses sold in the West has increased 14 percent.

27/ Report at A-41, A-114-A-115.

^{25/} Id.

generally can respond to the short term requirements of their regular customers more quickly than other suppliers.

The reported lost sales that were confirmed by the staff accounted for less than 0.5 percent of the imported Colombian roses. Better quality and longer stem lengths, in addition to lower prices, were factors that the purchasers cited as reasons for buying the Colombian roses instead of domestic roses. The relatively few sales lost to the Colombian roses and the nonprice considerations associated with those lost sales further indicate that any injury suffered by the domestic rose growers was not caused by imports of Colombian roses.

No threat of material injury

The Commission received information from the Colombian Flower Growers' Association ("Asocolflores") indicating an additional 23 million blooms will be available for export to the United States by 1986 over the level of 1983. There is no indication that this poses any real threat of imminent injury to the domestic industry. <u>28</u>/ The rapidly rising imports of the past three years have been accompanied by increases in domestic production, sales, and profits, thus demonstrating the domestic industry's ability to withstand increasing import competition. 29/

Assuming <u>arguendo</u> that the projected growth of Colombian rose production is correct, and all of the increase is exported to the United States, the

<u>28/ See</u> Alberta Gas Chemicals, Inc. v. United States, 515 F. Supp. 780 (CIT 1981). An affirmative determination of threat of material injury must be grounded on more than mere supposition and conjecture that injury might occur at some remote future time.

<u>29/ See</u> Rhone Poulenc v. United States (Slip Op. 84-87, decided July 19, 1984), wherein the Court of International Trade upheld a threat determination of the Commission, holding that the Commission must consider trends in the economic indicators of the industry specified in the present injury standard in order to determine threat of material injury.

average annual growth in imports, less than 10 million blooms per year, would actually represent a decrese from the annual growth of imports over the threeyear period under investigation. <u>30</u>/ Based on 1983 data, if an additional 10 million blooms were shipped to the U.S. market, the penetration ratio of Colombian imports to consumption would rise only 1.6 percent. This represents a decline from the rate of increase of the Colombian penetration into the U.S. market. 31/

Moreover, the increase in U.S. consumption, in addition to accounting for the rise in imports from Colombia, has also stimulated a substantial increase in rose production. Past trends of rising imports combined with rising U.S. consumption and domestic production suggest that any increase in imports from Colombia may serve to stimulate demand, which in turn may contribute to an increase in domestic rose production.

Furthermore, the fact that the U.S. market has been characterized by generally increasing prices for domestic producers does not suggest that increases in imports from Colombia have had the effect of substituting for U.S. production. If the total quantity of roses available was greater than demand, prices would follow a declining, rather than an increasing trend. This analysis is substantiated by wholesale and retail florists who stated in conversations with the staff that they bought Colombian roses because of inadequate domestic supply during peak demand periods.

From these facts, we find that increased imports from Colombia would not pose a threat of imminent injury to the domestic rose industry.

<u>30</u>/ Imports from Colombia rose 22.5 million blooms from 1981 to 1982, 23.3 million blooms from 1982 to 1983, and 9.6 million blooms from the first quarter of 1983 to the first quarter of 1984. Report at A-30. <u>31</u>/ The penetration ratio of imports from Colombia to U.S. domestic consumption rose 3.7 percentage points from 1981 to 1982, 2.2 percentage points from 1982 to 1983, and 4.3 percentage points from the first quarter of 1983 to the same quarter in 1984. Report at A-31.

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Views of Commissioner Alfred E. Eckes

After careful examination of the record in this unusual investigation, I determine that an industry in the United States is threatened with material injury by reason of imports of fresh cut roses from Colombia which are sold at less than fair value (LTFV). $\underline{1}$ / My determination is based upon several findings. First, imports of roses from Colombia are increasing at an accelerating rate both in volume and in the share of the U.S. market they command. Second, recent expansion of Colombian production capacity is just beginning to affect the domestic market. Finally, because of the special nature of the product which is the subject of this investigation, the effect of mounting competition from LTFV imports from Colombia will be material injury to the domestic industry which is already showing signs of strain. Definition of industry and like product

The domestic industry against which the impact of imports is to be assessed is defined in section 771(4)(A) of the Tariff Act of 1930 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." <u>2</u>/ "Like product" is 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/

1/ Material retardation of the establishment of an industry in the United States is not an issue in this investigation and will not be discussed further. $\frac{2}{19}$ U.S.C. §1677(4)(A) $\frac{3}{19}$ U.S.C. §1677(10)

In my preliminary determination in this investigation, I found the like product to be fresh cut roses and the domestic industry to consist of the domestic producers of fresh cut roses. 1/ All the parties have agreed with that definition, and no facts have emerged in this final investigation to impel any change.

Commercially, two of the most important types of roses are sweetheart roses and hybrid tea roses, both of which are produced domestically and imported from Colombia. <u>2</u>/ Competition from Colombian red hybrid tea roses is particularly evident in the U.S. marketplace; and the Commission staff collected specific purchase and pricing information on this type of rose (in several stem lengths) and on red sweetheart roses. Much of the data collected in our investigation and discussed here, however, cover the like product -all fresh cut roses -- and the domestic industry producing that product. Nature of the industry

Congress has cautioned those administering its trade laws that there are special problems in assessing injury to an industry producing cyclical agricultural products. <u>3</u>/ These essentially fungible and perishable products are especially price-sensitive to supply changes.

Roses pose a special case within this category of agricultural products. Rose growers, once they commit to a certain level of production, are locked into most of the costs associated with that level for the 4 to 8 year life of their plants. Unlike the farmer who may let fields lie fallow, switch crops, or store crops in response to poor marketing conditions, rose growers must continue to tend and nourish their plants or destroy them and absorb substantial capital loss. They may choose not to bring their crops to market

1/ See Fresh Cut Roses from Colombia, Inv. No. 731-TA-148 (Preliminary), USITC Pub 1450 (1983) at 3.

2/ Report at A-3 and A-28.

3/ S. Rep. No. 249, 96th Cong., 1st Sess. (1979) 88.

and thus save selling and transportation costs, but their major operating expenses will remain. Therefore, rose growers who wish to survive financially are virtually compelled to market their crops at almost any price. This makes them even more vulnerable to injury from unfair imports than many other agricultural producers.

Rose growers also must cope with problems facing any agricultural producer. First, they are producing a fungible product. There may be qualitative differences between domestic and imported roses of the same type -- opinions of major purchasers surveyed varied on this question. 1/ However, retail customers rarely have the opportunity to make comparisons.

Second, the rose is a particularly perishable product. Modern refrigerated storage and transportation extend the time between cutting and final sale, but there is no way to inventory roses and wait for a better market.

Finally, rose production is cyclical. Rose plants produce about seven times a year. <u>2</u>/ Because demand for roses is particularly high at holidays such as Valentine's Day and Mother's Day, domestic and foreign growers try to time cycles to meet that demand. This results in a competitive high-supply situation not only at the time of these holidays, but during ensuing cycles of production, when demand is considerably reduced.

Imported roses sold at less than fair value, therefore, must have some negative effect on this domestic agricultural industry unless they are supplementing rather than substituting for domestic supply. As I will point out, the record in this investigation shows that this is not the case. Rather, substitution is occurring and the domestic industry has experienced

 $\frac{1}{2}$ Report at A-60, A-61, A-62. 2/ Staff information.

some painful shocks. It has moved to adjust to the new competitive situation in several ways, but there is a limit to adjustment options, and the competition from LTFV Colombian imports is expected to intensify.

Condition of the industry

On the basis of data collected in our investigation, most of the traditional indicators of industry health at first glance appear positive for the domestic rose industry. Production, shipments, and sales show an upward trend in the period of investigation. 1/ Pretax net income margins, although fairly low, increased between 1981 and 1983. However, as Congress cautioned in its example cited in the legislative comments to Title VII, factors regarding the state of an agricultural industry "may appear to indicate a favorable situation for that industry when in fact the opposite is true." 2/ A comparison of income and loss data for the first quarter of 1984 and the same period in 1983 shows a sharp drop in profitability. Net income before taxes declined 5 percentage points from 13.2 to 8.2 percent. 3/ Nonetheless, the fact that the quarterly data cover only 37 growers makes one hesitant to label the downturn a sign of present material injury.

However, there should be the same hesitation in looking at the income and loss data for only 53 out of 250 rose growers in the U.S. and labeling the industry healthy. 4/ In many Commission investigations, a few large producers account for a major percentage of domestic production, but this is not the case here. The <u>73</u> firms providing production and sales figures for the

^{1/} Report at A-20.

^{2/} S. Rept. No. 249, 96th Cong., 1st Sess. (1979) 88.

 $[\]overline{3}$ / Id at A-20.

^{4/} In the 1980 Section 201 investigation (TA-201-42) the Commission received usable profit-and-loss data from 64 growers, representing about 48 percent of U.S. production of fresh-cut roses (See p. A-22). This was a more complete data sample than in the present investigation.

Commission report account for only a little over half of domestic rose production. The <u>53</u> firms providing income and loss data obviously account for less than that.

The relatively poor response to the Commission questionnaire might be expected in an agricultural industry. Many small family operations do not keep the records necessary for response and do not have the resources to devote to filling out extensive forms. Responses are more apt to come from the larger commercial growers, with staff to handle the paper work. This could very well skew the resulting data.

There are other problems with the Commission data on the condition of this industry. Our analysts included "other income" in calculating rose growers' profits. For one grower in particular, this income was substantial. <u>1</u>/ Without such income data (from investments, royalties, etc.) from the 53 reporting firms, those firms would have operated in the red for 1981 and 1982 and pretax net income for 1983 would be reduced 68 percent.

Because of data problems such as these, I believe it is possible that the rose industry has already experienced injury that is "not inconsequential, immaterial, or unimportant $\dots 2/$ At the very least, I find evidence on the record that the industry has experienced some difficulty as the result of less than fair value competition.

For example, it is not necessarily a sign of strength that growers devoted slightly more production area to roses during the period of our investigation. Testimony to the Commission revealed an explanation for this trend. Growers were feeling pressure from foreign imports in other product areas such as chrysanthemums and carnations. <u>3</u>/ Switching crops to a higher

- 1/ Report at A-21.
- 2/ 19 U.S.C. 1677(7)(A)..
- $\overline{3}$ / Hearing Transcript at 32.

profit item such as roses was in response to this pressure. However, as I already have pointed out, switching to roses is also committing to a relatively long-term capital investment.

LTFV imports have triggered a number of reactions and adjustment strategies. First, the record shows that 26 firms went out of the business ("adjusted out") during the three-year period of this investigation. Roughly half of those firms had over 1.4 million rose plants in production in 1981 that were not in production in March 1984. 1/ In short, firms accounting for about 14 percent of total rose plants in production left the industry during the period of our investigation.

Second, some growers have begun to target markets not yet affected by imports. Hearing testimony revealed that growers who customarily sold to wholesalers are beginning to sell directly to retailers, hoping to make sales on the basis of freshness of their product rather than price. This means they now need more accounts to sell the same number of flowers and their selling and shipping costs increase. 2/ Western growers who previously shipped roses to the Eastern markets most heavily affected by imports from Colombia now are trying to market more of their product in the West, adding to the supply and downward pressure on prices in their home markets. 3/

Third, growers also planted more productive plants, reducing their overhead per unit of production, including their labor costs. Average employment in the rose industry decreased 7 percent between January 1981 and March 1984 as productivity rose (except in the first quarter 1983-1984 comparison). 4/

- $\overline{3}$ / Hearing Transcript at 39, 42.
- $\overline{4}$ / Report at A-18.

^{1/} Report at A-14.

 $[\]overline{2}$ / Hearing Transcript at 19, 21.

The most common response to a competitive market situation is to adjust prices downward to a level which will move merchandise without incurring losses. The pricing response of domestic rose growers to competition from LFTV Colombian imports is difficult to assess from the scanty questionnaire data in this investigation. Since domestic growers report that they sell 70 percent of their roses to wholesale florists, and 60 percent of total sales on a spot price basis, it would be useful to have good data on spot sales to wholesalers in the Eastern markets targeted by imports. <u>1</u>/ Most Colombian roses are sold to wholesalers, and they are sold on a spot sale basis. The Commission has no delivered purchase prices for spot sales to wholesalers of Eastern-grown roses in any market center (or for standing orders either), and the data for Western-grown roses are very thin. Retail delivered price information for spot sales is available from only 1 to 4 retailers in any market area. 2/

The price indices constructed for this investigation are based on weighted average f.o.b. selling prices reported by growers and importers and do not include such items as packing or transportation charges. As the Commission report notes, "Such data do not provide the best basis to compare levels of domestic producers' and importers' prices from the purchasers' viewpoint in a particular area, but they are useful for comparing trends of these prices" 3/ The data provide a picture of mixed price trends. For example, for sales of red hybrid tea roses to wholesalers in the first quarter of the year, the indices show lower prices in 1984 for U.S. roses of all lengths sold on a consignment or standing order basis. The prices for

 $\frac{1}{2}/\frac{1}{1d}$ at A-34. $\frac{2}{3}/\frac{1}{1d}$ at A-110. $\frac{3}{3}/\frac{1}{1d}$ at A-33.

those sold on a spot-sales basis increased. First quarter prices to retailers turned downward in 1984 for spot sales of U.S. roses 22 inches and longer, and for all standing order sales. 1/

Examining the first quarter 1984 price action of growers by region, we find that California growers lowered prices on red hybrid tea roses to wholesalers except for spot sales. Other Western growers lowered prices on all roses, except for shorter lengths sold in spot sales. And Eastern growers raised prices on all reported sales except consignment sales of roses 22 inches and longer. 2/

Perhaps the most puzzling finding in this price data is that Eastern growers raised their prices in the face of strong Colombian competition in their markets. The Eastern growers were the one segment of the rose industry that experienced a decrease in sales in the first quarter of 1984 compared to first quarter 1983. <u>3</u>/ Why didn't they lower prices to stimulate sales? Perhaps the answer to that question lies in the increase in their operating costs, particularly fuel, during a very cold winter. Growers in this area generally have small operations and cannot achieve economies of scale. However, because of their proximity to the major rose markets, Eastern growers can command a premium for their roses from retailers on the basis of product freshness. They possibly chose to demand that premium at the risk of diminishing sales, to cover their increased costs. The results proved unfortunate for their income statements.

In summary, I find that the record reveals an industry making adjustments in a difficult competitive environment. The downturn in performance in the first quarter of this year suggests that the adjustment process may have reached its limit.

 $\frac{1}{2}$ / $\frac{1}{1d}$ at A-102. $\frac{2}{3}$ / $\frac{1}{1d}$ at A-103. $\frac{3}{1d}$ at A-22.

Threat of material injury by LTFV imports

In considering whether there is a threat of material injury to a domestic industry, the Commission examines, among other factors, the rate of increase in importation of the dumped merchandise, the capacity of the exporting country to generate imports, and the likelihood that such imports will be directed to the U.S. market. The threat must be real and the injury imminent. 1/

In this case, there is no question that imports of roses from Columbia have increased substantially during the period of investigation. In volume, they increased over 39 percent between 1981 and 1982, 34 percent the following year, and over 49 percent in a comparison of first quarter 1983-1984 levels. 2/ Thus the rate of increase is accelerating in 1984.

Import penetration also is rising at an increasing rate. Imports as a share of consumption rose from 10.1 percent in 1981 to 13.8 percent in 1982, 16.0 percent in 1983, and 21.1 percent in the first quarter of 1984. 3/

Production for export in Colombia increased over 53 percent between 1981 and 1983. 4/ A recent expansion of Colombia's rose program was started in 1982 and was scheduled for completion in the first quarter of 1984. Since it takes a year for rose plants to reach maximum production in Colombia, the full effects of this expansion have yet to be felt in the U.S. marketplace. According to Asocolflores projections, Colombian rose production will increase over 21 percent between 1983 and 1986. 5/

- $\overline{2}$ / Report at A-28.
- $\overline{3}$ / Id at A-31.
- $\overline{4}$ / \overline{Id} at A-29.

5/ Commission staff received production estimates from the Colombian Flower Growers Association (Asocolflores) through the State Department.

^{1/} S. Rept. No. 96-249, 96th Cong. 1st Sess. (1979) at 88-89.

Historical export trends indicate that much of this new production will be exported to the United States. Colombia increasingly has targeted rose exports to this country. In 1981, 89 percent of Colombian production was exported to the U.S.; in 1983, 93 percent reached U.S. markets. 1/

If these imports were merely supplementing U.S. roses, they would pose no threat to the domestic industry. However, they have not served as supplements in the past. U.S. apparent consumption of roses has increased 17.5 percent between 1981 and 1983, and 14.4 percent in the first quarter 1983-1984 comparison. 2/3/ Only about a third of this market expansion has been gained by the domestic rose industry.

Since there is no clear indication that Colombian roses are superior in quality to U.S. roses, it is doubtful that such imports attained a large share of U.S. market expansion on that basis. Price is a more likely purchase incentive.

The Commission staff report shows both overselling and underselling of domestic red hybrid tea roses by Colombian roses from 1982 through the first quarter of 1984 based on delivered purchase prices in spot sales to wholesalers. <u>4</u>/ However, sales of Eastern roses were not included in these tables. Even so, each geographical region covered shows substantial underselling by Colombian roses in the first quarter of 1984 when the domestic industry financial performance turned down.

When prices for spot sales to retailers are examined, wide margins of underselling by Colombian red hybrid tea roses appear after the first quarter of 1983 in all reported markets, and as early as 1982 in the Boston and

4/ Report at A-45.

^{1/} Report at A-29.

^{2/} Id at A-10.

^{3/} In the Commission briefing prior to a vote on this case, staff estimated that Report consumption figures could err as much as 10 percent as they are based on staff estimates of production.

Philadelphia markets. $\underline{1}/$ Twenty-one of the Commission's 29 spot price comparisons for retailers showed underselling by imports, with margins as high as 51 percent. Standing order sales prices to retailers also reveal underselling by imports after the beginning of 1983; $\underline{2}/$ and spot purchase prices to retail mass merchandisers for red hybrid tea roses show both under and overselling, but substantial underselling of Western roses by the Colombian product since mid-1982. $\underline{3}/$ In all the tables showing margins of overselling or underselling in the body of the Commission staff report, there is only one instance (Table 24) where there is overselling by imports in the first quarter of 1984.

Generally when there is overselling, the margins are greatest in the first quarter of the year--the prime selling season for roses. The evidence of underselling, particularly in recent quarters, and of sales lost to the Colombian imports point to the competitive problem these imports pose to U.S. growers. The Commerce Department has found that Colombian roses are being sold at less than fair value; and low prices undoubtedly have aided Colombian imports to increase market penetration and capture much of the U.S. consumption gain since 1981. There is no question that U.S. growers would be in a much stronger financial condition if they had been able to realize more of that consumption gain. They had or could have developed the capacity to supply the added demand, but many U.S. growers could not offer their supply at prices to compete with LTFV imports and had to suspend production. More growers, particularly Eastern growers who face the heaviest impact of imports may have to cease operations in the near future. It is not accurate, therefore, to view Colombian roses as supplements rather than substitutes for U.S. roses in the marketplace.

 $\frac{1}{2}$ / Id at A-48, 49. $\frac{1}{2}$ / Report at A-50. $\frac{1}{3}$ / Id at A-52. . 23

The expanded supply Colombia will produce in the coming months will not encourage increased prices for Colombian roses. If anything, import prices should drop further. In my view, the added competition threatens material injury to the domestic rose industry, if, indeed, that industry has not already been materially injured by several years of competition from LTFV Colombian imports.

Conclusion

This investigation has some unusual aspects which in balance warrant an affirmative determination from this Commission. Careful analysis of this industry which seemingly is operating favorably reveals that domestic producers are being affected by competition from LTFV imports. Such analysis was anticipated in the legislative guidance accompanying Title VII legislation. The nature of past import trends and their pricing coupled with information regarding production expansion in Colombia establish a threat of material injury by reason of LTFV imports from Colombia.

INFORMATION OBTAINED IN THE INVESTIGATION

Introduction

On September 30, 1983, a petition was filed with the United States International Trade Commission and the U.S. Department of Commerce on behalf of Roses, Inc., $\underline{1}$ / alleging that an industry in the United States is suffering material injury and is threatened with further material injury by reason of imports from Colombia of fresh cut roses which were allegedly being sold in the United States at less than fair value (LTFV).

Accordingly, effective September 30, 1983, the Commission instituted a preliminary antidumping investigation under section 733 (a) of the Tariff Act of 1930 (19 U.S.C. § 1673 b(a))(the act). In November 1983, the Commission determined that there was a reasonable indication that an industry in the United States was materially injured, or threatened with material injury, 2/ by reason of imports from Colombia of fresh cut roses allegedly being sold in the United States at LTFV (48 F.R. 53188).

The Department of Commerce published its preliminary affirmative antidumping determination in this case in the <u>Federal Register</u> of March 14, 1984 (49 F.R. 9597). In response to Commerce's determination, the Commission instituted investigation No. 731-TA-148 (Final) under section 735(b) of the act to determine whether 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 LTFV imports of fresh cut roses from Colombia.

Notice of the institution of the Commission's investigation 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 <u>Federal Register</u> of April 4, 1984 (49 F.R. 13440). On April 3, 1984, Commerce extended its investigation in response to a request by the respondents in the case. Accordingly, on May 25, 1984, the Commission revised its schedule for the conduct of this investigation. $\underline{3}$ / Commerce's final determination in this case was made on August 1, 1984. $\underline{4}$ / As directed by statute, the Commission must render its final determination concerning injury within 45 days of Commerce's Final determination.

In connection with the Commission's investigation, a public hearing was held in the Commission's hearing room in Washington, DC, on July 30, 1984. 5/ The Commission voted in this investigation on August 28, 1984.

 \underline{l} Roses, Inc., is a domestic trade association whose membership consists of fresh cut rose growers.

2/ Commissioner Stern dissenting. Commissioner Eckes determined that there was a reasonable indication of material injury; Commissioner Lodwick determined that there was a reasonable indication of threat of material injury. Commissioners Liebeler and Rohr were not members of the Commission at that time.

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3/ Copies of the Commission's notices are presented in app. A.

4/ Copies of Commerce's notices are presented in app. B.

5/ A list of witness appearing at the hearing is presented in app. C.

Previous Commission Investigations

The Commission has conducted several investigations with respect to fresh cut roses specifically and also with respect to fresh cut flowers in general. On the basis of a petition filed on behalf of the Grower Division of the Society of American Florists and Ornamental Horticulturists, the Commission instituted, effective February 12, 1977, investigation No. TA-201-22 under section 201 of the Trade Act of 1974 to determine whether fresh cut flowers (including roses), then being imported into the United States, were being imported in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to a domestic industry. The Commission made a negative determination in that investigation. That investigation was followed by investigation No. TA-201-42, relating only to fresh cut roses, which was instituted, effective November 29, 1979, as a result of a petition filed on behalf of Roses, Inc. In April 1980, the Commission unanimously determined 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 the threat thereof, to the domestic industry producing the like or directly competitive articles.

On January 3, 1980, a petition was filed on behalf of Roses, Inc., alleging that imports of fresh cut roses from the Netherlands were being subsidized by the Government of that country. Effective January 11, 1980, the Commission instituted investigation No. 701-TA-21 (Preliminary) to determine whether there was a reasonable indication that an industry in the United States was materially injured or threatened with material injury, or whether the establishment of an industry in the United States was materially retarded, by reason of the allegedly subsidized imports of fresh cut roses from the Netherlands. In February 1980, the Commission unanimously determined, on the basis of the record developed in the investigation, that there was no reasonable indication of material injury to a domestic industry by reason of the allegedly subsidized imports of fresh cut roses from the

Effective June 8, 1981, the Commission instituted an antidumping investigation (No. 731-TA-43 (Preliminary)) with respect to fresh cut roses from Colombia. However, the Commission's investigation was terminated when Commerce (the administering authority) dismissed the petition on June 25, 1981. $\underline{2}/$

The U.S. Department of Commerce has also conducted several investigations with respect to fresh cut roses and other fresh cut flowers. On January 18, 1983, Commerce entered into a suspension agreement with 93 Colombian producers and exporters of roses and other cut flowers whereby such producers and exporters renounced all benefits deemed countervailable by Commerce in a

1/ Fresh Cut Roses from the Netherlands: Determination of No Reasonable Indication of Material Injury or Threat Thereof in Investigation No. 701-TA-21 (Preliminary), . . . USITC Publication 1041, February 1980.

2/ The petitioner (Roses, Inc.) challenged the dismissal through the judicial process. See <u>United States</u> v. <u>Roses, Inc</u>., 706 F. 2d 1563 (CAFC 1983). Note, however, that the petition resulting in the instant investigation is separate and unrelated to the order of remand by the court.

preliminary countervailing duty investigation initiated on August 26, 1982. $\underline{1}$ / Commerce also published in the <u>Federal Register</u> of January 6, 1984 (49 F.R. 924), the final results of its administrative review with respect to fresh cut roses from Israel. $\underline{2}$ / The review covered the period October 1, 1980, through September 30, 1981, and resulted in a determination of net subsidies amounting to 27.94 percent.

On April 16, 1984, the Department of Commerce published in the <u>Federal</u> <u>Register</u> (49 F.R. 15007) the results of its final negative countervailing duty determination with respect to fresh cut flowers from Mexico. 3/ Commerce determined that no benefits constituting bounties or grants within the meaning of the countervailing duty law were being provided to Mexican producers or exporters of fresh cut flowers.

Nature and Extent of Sales at LTFV

On August 1, 1984, the Department of Commerce published its final determination that imports of fresh cut roses from Colombia are being sold in the United States at LTFV. To determine whether sales of the subject merchandise in the United States were made at LTFV, Commerce compared the U.S. price with the foreign market price, which was based on a constructed value computation.

Commerce found that the foreign market value of fresh cut roses from Colombia exceeded the U.S. price on 16.8 percent of the sales of fresh cut roses. The margins ranged from 1.33 percent to 6.61 percent. The overall weighted-average margin on all rose sales compared was 2.86 percent.

The Product

Description and uses

Roses are members of the Rosaceae family; at least 100 species and thousands of varieties are known to exist. The three most commercially important types of these relatively expensive flowers are the sweethearts, intermediates, and the hybrid teas. Miniature or sweetheart roses usually have a bud length of 1/2 to 1 inch and a stem length of 8 to 15 inches. Intermediates have a bud length of 1 to 1-1/2 inches and a stem length of 9 to 24 inches. Hybrid tea roses have a bud length of 1-1/4 to 2 inches and a stem length of 12 to 30 inches. Roses may be white, pink, red, yellow, orange, lavender, or intermediate shades or tints. Cut roses are used in wreaths and bouquets for ceremonial occasions and for general decorative purposes. As fresh cut flowers, roses may last 3 to 7 days in the home, depending on the

1/ For purposes of countervailing duty investigations, Colombia is not a "country under the Agreement"; therefore the Commission did not conduct an injury investigation. See 19 U.S.C. 1671 (b).

<u>2</u>/ Commerce's affirmative final determination was published in the <u>Federal</u> Register of Sept. 4, 1980 (45 F.R. 58516).

<u>3</u>/ Mexico is not a "country under the Agreement"; therefore the Commission did not conduct an injury investigation (19 U.S.C. 167 (b)).

variety and environmental factors such as temperature and care, without the use of a floral preservative. The vase life of a rose can be doubled when floral preservatives are used.

U.S. tariff treatment

Fresh cut roses are classified for tariff purposes under item 192.18 of the Tariff Schedules of the United States (TSUS). 1/ Prior to January 1, 1980, fresh cut roses were classified along with all other fresh cut flowers under item 192.20 of the TSUS. The rates of duty currently applicable to imports of fresh cut roses are 8 percent ad valorem under column 1 and 40 percent ad valorem under column 2. 2/ The column 1 duty rate reflects a concession granted by the United States in the Tokyo round of the Multilateral Trade Negotiations under the General Agreement on Tariffs and Trade effective January 1, 1980; this rate is not scheduled for further reductions. Fresh cut roses imported from beneficiary developing countries are not eligible for duty-free treatment under the Generalized System of Preferences.

U.S. imports of fresh cut roses generally are valued for customs (duty-assessment) purposes on the basis of their transaction value--the price actually paid or payable for the articles when sold for export to the United States in the country of exportation (19 U.S.C. 1401a). Transportation costs for imported fresh cut roses usually account for a substantial portion of the landed cost in the United States, since air shipment is often required because of the perishability of the roses. Because transportation costs are not part of the customs value, the duty rate of 8 percent ad valorem assessed on the customs value of fresh cut roses is significantly less than 8 percent of the landed or c.i.f. value. In 1983, the c.i.f. value of fresh cut rose imports from Colombia ranged from 12 percent higher than the customs value for sweetheart roses to 8 percent higher for other roses.

It is difficult for the U.S. Customs Service to compute the dutiable customs value of fresh cut flowers based on their value in the exporting country if the flowers are imported from sources in Latin America; very little of the commercial production is sold in the domestic markets of the countries in that area. In addition, some of the imports from that area enter the United States on consignment for subsequent sale. Consignment shipments and related-party entries are valued monthly by the U.S. Customs Service for duty purposes. The rate of duty on fresh cut rose imports was assessed for such

 $\underline{1}$ / Fresh cut roses were classified under TSUS item 192.19 from Jan. 1, 1980, through Mar. 29, 1980.

2/ The rates of duty in col. 1 are most-favored-nation (MFN) rates and are applicable to imported products from all countries except those Communist countries and areas enumerated in general headnote 3(f) of the TSUS. In 1983, imports of roses from Poland were the only imports from nonmarket economy countries subject to col. 2 rates of duty. However, MFN rates would not apply to products of developing countries if preferential tariff treatment is granted under the Generalized System of Preferences (GSP) or under the "LDDC" rate of duty column.
consignment and related-party entries on the following fixed valuations, January 1 through June 30, 1984,:

	<u>Long-stem roses</u> 20 inches or more in length	<u>Short-stem roses</u> under 20 inches in length
Period	(<u>cents per stem</u>)	(<u>cents per stem</u>)
1984:	en al antica de la companya de la c	
January	29.0	25.0
February	29.0	25.0
March	41.0	27.0
April	21.5	15.0
May	30.0	26.0
June	30.0	26.0

All imported fresh cut roses are subject to Federal quarantine inspection to prevent the spread of injurious plant pests (7 CFR 319.74). Inspections are made quickly and result in very few detentions. Imported roses also require a permit, but this permit is readily obtainable for roses shown to be free of injurious plant pests. Quarantine inspections are provided free of charge to importers during normal working hours of the Animal and Plant Health Inspection Service (APHIS) of the U.S. Department of Agriculture. At all other times, importers are charged a fee for inspection services.

Channels of distribution

The channels of distribution used to market domestically grown fresh cut roses, shown in figure 1, are the same as those used to market other types of fresh cut flowers. Most fresh cut rose production moves through the traditional market channels, from the grower to the wholesaler to the retail florist, and finally to the consumer. In recent years, grower-shippers have gained an important role in the distribution channel. Initially, growershippers almost exclusively shipped only flowers produced in their own growing facilities. Such entities have now expanded their operations to include the shipment of flowers produced by other growers. In many cases, grower-shippers also have expanded product lines to cover a full line of fresh cut flowers to satisfy the needs of wholesalers, mass merchandisers, and retail florists.

Wholesalers generally carry a full line of fresh cut flowers along with various other plant materials and supplies used by retailers. The wholesalers receive the flowers in their warehouse and distribute them in the major markets. There are over 1,000 wholesalers in the United States. Some wholesalers, known as wholesaler-shippers, have also integrated their operations, establishing purchasing centers in major growing areas in order to obtain a product line tailored to the needs of floral mass merchandisers, the retail florists, and consumers.

The retail florist shops and the mass-merchandising outlets generally are the points at which fresh cut roses are sold to the ultimate consumer, although sales through street vendors have increased in importance. The retail florist is considered a full-service outlet and generally carries a full line of fresh cut flowers. In addition, the retail florist generally allows the consumers Figure 1.---U.S. channels of distribution for marketing domestically produced fresh cut roses in the United States.



Source: U.S. International Trade Commission.

Note.--Channels of distribution for imported fresh cut roses are generally similar to those of domestic growers and grower-shippers. However, customhouse brokers and freight forwarders are generally added to the distribution chain between the growers or grower-shippers and the first U.S. customer.

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to charge purchases and have the product delivered, as well as providing other services such as designing flower arrangements. The mass merchandiser, however, generally operates on a cash-and-carry basis and is considered a no-service outlet.

Importers of fresh cut roses normally enter the distribution channel at the same level as the domestic grower or grower-shipper. However, some importers have expanded their operations to include wholesaling functions in major U.S. markets.

The U.S. Industry

During 1950-83 there was a marked shift in the composition of the fresh cut rose industry in the United States, from many small local growers near eastern and midwestern population centers to large growers primarily in California and Colorado. Although California growers are situated in a favorable climate for producing cut roses, Colorado also has a great deal of sunshine--a requisite for growing good quality roses--in spite of cold winter weather, with its attendant fuel costs. Pennsylvania, Indiana, and New York also have been important rose-producing States owing in part to their proximity to eastern and midwestern population centers.

Most commercial growers raise both hybrid tea and sweetheart roses. It is estimated that there are about 225 to 250 commercial rose growers in the United States. Table 1 shows the number of commercial producers of cut roses, by principal types, in major producing States in recent years. 1/

In 1981 there were 222 commercial growers of hybrid tea roses in the 14 major producing States, down 6 percent from the number of growers in 1977. The number of commercial growers of sweetheart roses in the 13 major producing States 2/ declined by 11 percent, from 198 growers in 1977 to 177 growers in 1981. However, the number of growers of hybrid tea roses in California and Colorado increased during the period, as did the number of growers of sweetheart roses in California. Hence, most of the decline in the number of commercial growers occurred in the other major producing States located primarily in the Eastern United States.

U.S. commercial rose growers vary in size, in terms of number of rose plants in production, from firms with less than 1,000 rose plants to one firm with nearly 1.3 million plants. In 1975, the last year for which industry data were reported by the U.S. Department of Agriculture, less than 25 percent of the commercial growers of hybrid tea and sweetheart roses accounted for more than 60 percent of the commercial production of those rose types.

Some U.S. rose growers are diversified in their output, producing other types of cut flowers, potted flowering plants, or other floricultural products. The importance of cut rose production to their overall operations varies

1/ The major producing States are California, Colorado, Connecticut, Illinois, Indiana, Massachusetts, Michigan, Minnesota, New Jersey, New York, Ohio, Oregon, Pennsylvania, and Washington for hybrid tea and (except Oregon) for sweetheart roses.

 $\underline{2}$ / It is estimated by the U.S. International Trade Commission that the major producing States account for at least 90 percent of U.S. commercial rose production.

:	Hybri	đ	tea rose	es		:	Sweetheart	;	(miniature	∍)	roses
Year : :	California and Colorado	::	Other States	::	Total	:	California	:	Other States	:	Total
:		;		:		:		:		:	
1977:	85	:	152	:	237	:	52	:	146	:	198
1978:	87	:	134	:	221	:	55	:	125	:	180
1979:	91	:	145	:	236	:	57	:	120	:	177
1980:	. 94	:	146	:	240	:	67	:	116	:	183
1981:	92	:	130	:	222	:	68	:	109	:	177

Table 1.--Fresh cut roses: Number of U.S. commercial growers of hybrid tea and sweetheart roses in leading producing States, 1977-81

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

Note.--The U.S. Department of Agriculture gathered and published data on the U.S. floriculture industry only through 1981.

significantly by firm. An average size U.S. rose-growing operation would have about 88,000 rose plants in production, requiring about 135,000 square feet of greenhouse space. The grower would sell about 2.1 million rose blooms annually from these plants and would have annual rose sales of about \$600,000.

All roses grown commercially in the United States are produced in greenhouses. The greenhouse may be of a rigid type (constructed of glass or rigid fiberglass) or it may be of a film type (constructed of plastic or polyethylene). Both types of structures have certain advantages and disadvantages. For instance, rigid-type structures have very high initial construction costs but have lower maintenance costs compared with those for film-type structures. Both types of structures are common throughout the United States, and each is usually tailored to the individual grower's needs. Rose greenhouses in the United States require some type of supplemental heating for rose production to continue year round. Where possible, growers usually use natural-gas-fired boilers rather than oil-fired boilers or other types of heating systems, owing in major part to the cost advantages of natural gas. But because of the rapid escalation of fuel costs, some U.S. growers are turning to alternative energy sources for their heating needs (e.g., geothermal, wood, sawdust, coal, and waste heat from power plants).

The production of roses is a long-term investment. A typical rose plant will be in production for 4 to 8 years and will produce between 80 and 200 blooms during that time, depending on the rose variety. The sweetheart varieties are usually more prolific than the average rose plant, and some of the hybrid tea varieties are far less fruitful. A grower must also contract in advance for new rose plants that will be used either to replace existing plants or for additional plants. This leadtime is usually between 9 months and 1 year, but for some varieties, the leadtime may be nearly 2 years. Also, once the plants are placed in the greenhouse, it is about 120 days before the first rose bloom can be cut. In addition, rose plants are normally leased from the propagator. The lease usually stipulates that cuttings to produce more plants cannot be taken from the plants, and once the plants are removed from the growing area, they cannot be sold but must be destroyed. The conditions also apply to outright sales of the rose plants. Hence, a grower has to produce cut roses if he is to recover his investment in the rose plants.

U.S. Importers

During 1983, nearly 100 firms imported fresh cut roses from Colombia. However, the bulk of the imports were accounted for by 10 firms. Many of these importing firms are associated with Colombian producers and are the Colombian firms' marketing arm in the United States.

U.S. importers of fresh cut roses from Colombia are concentrated in the Miami, FL, area due to its close proximity (4 hours by air) to Colombia, and the highly developed transportation network for shipping perishables from Florida to eastern U.S. markets. It is from this central hub that importers control the movement of Colombian imported fresh cut roses throughout the United States. Once the incoming merchandise clears Customs and APHIS inspection, it is either loaded into trucks for immediate shipment to points north or the merchandise is held over by the importer in refrigerated warehouses for shipment within a few days.

Apparent U.S. Consumption

Apparent U.S. consumption of fresh cut roses increased steadily during 1981-83 and January-March 1984, primarily on the strength of U.S. imports. However, increased domestic production was also a factor in 1983 and in January-March 1984. Consumption rose from 524.3 million blooms in 1981 to 616.3 million blooms in 1983, or by nearly 18 percent (table 2). The increase in consumption in January-March 1984 over consumption in January-March 1983 was more than 14 percent. The ratio of imports to apparent consumption and to U.S. production also increased considerably from 1981 to 1983, increasing from 12.9 percent and 14.5 percent, respectively, in 1981 to 20.5 percent and 25.2 percent, respectively, in 1983. During January-March 1984, the ratio of imports to apparent consumption and to U.S. production continued to advance, to 27.0 percent and 36.1 percent, respectively, despite the growth in U.S. production.

Consideration of Material Injury to an Industry in the United States

In seeking information on the question of material injury, the Commission sent questionnaires to 200 known U.S. commercial rose growers. 1/ Responses were received from 88 growers with 73 of them supplying usable data. Figure 2

1/ The Commission sent questionnaires to 170 members of Roses, Inc., the petitioner, and 30 questionnaires to growers that are not members of Roses, Inc. Responses were received from 79 members of Roses, Inc., and from 9 nonmembers of Roses, Inc.

Table 2.--Fresh cut roses: U.S. production, exports of domestic merchandise, imports for consumption, and apparent consumption, 1981-83, January-March 1983, and January-March 1984

	:		:		:		:	Apparant	:	Ratio	of
Period	:Pro :	duction	: 1:E :	xports <u>1</u> /	': : :	Imports	:	con- sumption		.S. pro- duction	Apparent con-
	:			Million	b	looms			:	Perc	<u>cent</u>
	:		:		:		:		:	:	
1981	-:	466.8	:	10.0	:	67.5	:	524.3	:	14.5 :	: 12.9
1982	-: 1/	464.4	:	10.0	:	94.1	:	548.5	:	20.3	: 17.2
1983	-: 1/	500.2	:	10.0	:	126.1	:	616.3	:	25.2	: 20.5
JanMar	: _		:		:		:		:	:	•
1983	-: 1/	106.4	:	2.5	:	27.1	:	131.0	:	25.5	20.7
1984	-: <u>1</u> / :	112.0	:	2.5	:	40.4	:	149.9	:	36.1	: 27.0 :

1/ Estimated by the staff of the U.S. International Trade Commission.

Source: U.S. production in 1981 based on data from <u>Floriculture Crops</u> of the U.S. Department of Agriculture with adjustments to include all 50 States; imports, compiled from official statistics of the U.S. Department of Commerce.

Note.--If U.S. production of fresh cut roses were based on questionnaire responses for 1982 and 1983, estimated U.S. production would have been 466.8 million blooms in 1982 and 497.4 million blooms in 1983. Similiarly estimated U.S. production in January-March 1983 would have been 102.7 million blooms and that in January-March 1984 would have been 107.1 million blooms.



Figure 2.--Distribution of rose growers responding to the U.S. International Trade Commission questionnaire.

shows the distribution by State for those growers responding to the questionnaire. The 73 respondents, accounting for 77 separate rose-growing operations, accounted for 55.4 percent of the blooms sold by all U.S. producers in 1981, 55.9 percent of estimated U.S. production in 1982, and 55.1 percent of estimated U.S. production in 1983. For January-March 1983 and January-March 1984, the questionnaire respondents accounted for 53.3 percent of total estimated U.S. production.

U.S. production and planting capability

The 73 questionnaire respondents had a total area of 20.0 million square feet in production in 1981, with 83.9 percent of the total devoted to the growing of fresh cut roses. The area set aside for fresh cut rose production by these growers increased from under 16.8 million square feet in 1981 to 16.8 million square feet in 1982 (table 3). The area continued to increase in 1983, to 16.9 million square feet. During this same period, the area devoted to the production of other fresh cut flowers and other greenhouse products

cut flowers,	and other green	nhouse products for 73 comm	ercial growers,
1981-83, Jan	uary-March 1983,	, and January-March 1984	
······································	:	Area in production	: Ratio of

Table 3.--Fresh cut roses: Area in production for fresh cut roses, other fresh

	: :	area used			
Period	: :Fresh cut : roses :	: :Other fresh :cut flowers :	Other greenhouse products	: : :Total, all: : products : : : :	for cut roses to total area used
	:	<u>1,000</u> sg	uare feet	:	Percent
	:	:	•	: :	÷
1981	: 16,784.3	: 1,750.6	: 1,470.9	: 20,005.7 :	83.9
1982	: 16,834.5	: 2,153.7	: 1,284.8	: 20,273.0 :	83.0
1983	: 16,937.8	: 2,119.4	: 1,171.6	: 20,228.8 :	÷ 83.7
January-March	:	:	:	: ; :	
1983	: 16,828.7	: 2,119.4	: 1,159.5	: 20,107.6 :	83.7
1984	: 17,206.1	: 2,112.2	: 1,023.3	: 20,341.6 :	* 84.6
	:	:	:	<u>:</u> :	

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

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

increased from 3.2 million square feet in 1981 to 3.3 million square feet in 1983. During January-March 1984, the area set aside for fresh cut rose production totaled 17.2 million square feet, compared with 16.9 million square feet during the corresponding period of 1983. The ratio of area planted in fresh cut roses to total area planted for all products decreased from 83.9 percent in 1981 to 83.0 percent in 1982. The ratio increased to 83.7 percent in 1983, and continued to grow in January-March 1984. The increase in the ratio resulted primarily from a shift from other greenhouse products and other fresh cut flowers to rose production, although there was some construction of new rose greenhouses.

Data submitted by 73 fresh cut rose growers show that the number of rose plants in production by those firms decreased from slightly less than 10.4 million plants in 1981 to less than 10.3 million plants in 1982 (table 4). The number of plants increased in 1983 to less than 10.4 million plants. The number of salable blooms produced increased uninterruptedly, from 258.6 million salable blooms in 1981 to 275.4 million blooms in 1983, or by over 6.5 percent, reflecting the increased average bloom yield per plant. In January-March 1984, the total number of plants in production declined, whereas the number of salable blooms produced and the average bloom yield per plant were up from those in the corresponding period of 1983. See appendix D for selected data on the number of rose plants in production and salable blooms produced in specified growing areas of the United States.

When faced with basic planting decisions of whether to expand, cut back, or replant rose production, or vary their product mix, U.S. growers respond differently. Although some growers may have shifted out of rose production or reduced production, others devoted more space to growing roses. For example, in 1983, * * *. However, the firm did shift production * * * to help make up the loss. Other firms have also shifted production of other fresh cut flowers and greenhouse products to rose production. For example, * * *.

Some firms have increased production by building new facilities, * * * increasing its area in rose production by nearly * * * square feet. On the other hand, some firms have stopped producing roses and have not shifted to

: Period :	Plants in production	Salable blooms produced	Average yield per plant
· · · · ·	1,000 plants	: 1,000 blooms	: Blooms
:		:	•
1981:	10,379.8	: 258,568	: 24.9
1982:	10,250.9	: 259,759	: 25.3
1983:	10,350.0	: 275,419	: 26.9
January-March :		:	:
1983:	10,314.9	: 56,697	: 5.5
1984:	10,280.5	: 59,670	: 5.8
•			•

Table 4.--Fresh cut roses: Plants in production, total salable blooms produced, and average yield per plant for 73 firms, 1981-83, January-March 1983, and January-March 1984

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

other fresh cut flowers or greenhouse products, as did a * * *. The Commission's questionnaire requested that growers provide the names, locations, area in production, and plants in production for any fresh cut rose growers that were in business in 1981 but were not in business on March 31, 1984. Fifteen of the responding firms provided names of 26 firms that had gone out of business over the period. For 14 of the firms that had gone out of business, data were provided on the number of rose plants that were in production in 1981. These 14 growers had over 1.4 million rose plants in production in 1981 that were not in production on March 31, 1984.

U.S. growers' domestic shipments

According to usable questionnaire data submitted by 73 rose growers, the number of fresh cut rose blooms sold by these growers rose consistently during 1981-83 and also increased in January-March 1984 over sales in the corresponding period of 1983. The total number of roses sold increased from 251.5 million blooms in 1981 to 266.0 million blooms in 1983 (table 5). Sales of the sweetheart variety, including intermediate varieties, increased from 73.1 million blooms in 1981 to 74.1 million blooms in 1983, or by 1 percent. Sales of all other rose varieties, including hybrid tea roses, increased by 8 percent over the period to 191.9 million blooms. Total fresh cut rose sales rose by 4 percent in January-March 1984 to 57.7 million blooms compared with sales of 55.3 million blooms in January-March 1983.

The value of sales, as reported by the 73 growers, increased from \$61.8 million in 1981 to \$76.4 million in 1983, representing an increase of more than 23.5 percent. Fresh cut rose sales continued to increase in January-March 1984, to \$24.6 million compared with sales of \$23.4 million in the corresponding period of 1983, or by 5.1 percent.

The average unit value of sales of sweetheart roses increased from 18.4 cents per bloom in 1981 to 23.5 cents per bloom in 1983, representing an increase of 28 percent. The average unit value of sales of all other varieties of fresh cut roses increased over the same period, from 27.1 cents per bloom to 30.7 cents per bloom, or by 13 percent. The average unit value of sales of sweetheart roses declined between January-March 1983 and January-March 1984, falling by 0.7 cent per bloom; the average unit value of sales of other roses increased by 0.2 cent per bloom to 47.5 cents per bloom in January-March 1984.

In the Commission's questionnaire, U.S. growers were asked to provide data on the distribution (in blooms) of their fresh cut rose shipments to the eastern $\underline{1}$ / and western sectors of the United States in 1981-83. Of the 55 growers that were able to provide such data, 23 growers, all of which were located in the Eastern United States, reported sales for only the eastern part of the United States; 13 growers, all which were located in the Western United States, reported sales of their product to only the western part of the United States; and 19 other growers, all of which were located in the Western United

 $\underline{1}$ / See app. E for the definition of Eastern and Western United States.

		• •			
:	•	:		January-Ma	arch
Item :	1981 :	1982	1983 :	1092 :	1094
	:	<u> </u>			1904
•		Quantit	y (1,000 of 1	blooms)	· * * \$
	:	:	:	· · ·	
Sweetheart <u>1</u> /:	73,142 :	74,193 :	74,086 :-	15,577 :	15,619
Other 2/:	178,333 :	177,301 :	191,864 :	39,741 :	42,076
Total:	251,475 :	251,494 :	265,950 :	55,318 :	57,695
		Value	(1,000 dolla	ars)	· `
	:	:	· · · ·	· •	
Sweetheart <u>1</u> /:	13,425 :	14,777 :	17,378 :	4,746 :	4,658
Other <u>2</u> /:	48,397 :	51,792 :	58,991 :	18,688 :	19,981
Total:_	61,822 :	66,569 :	76,369 :	23,434 :	24,639
:		Unit valu	e (cents per	blooms)	•
:	:	:	:	· · · · ·	
Sweetheart <u>1</u> /:	18.4 :	19.9 :	23.5 :	30.5 :	29.8
Other <u>2</u> /:_	27.1 :	29.2 :	30.7 :	47.3 :	47.5
Average:	24.6 :	26.5 :	28.7 :	42.4 :	42.7
		•	:	:	· •

Table 5.--Fresh cut roses: U.S. sales of 73 rose growers, 1981-83, January-March 1983, and January-March 1984

1/ Includes intermediate varieties.

2/ Includes hybrid tea.

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

States, reported sales of fresh cut roses to points in both sectors. Of the 19 western growers that shipped to both the Eastern and Western United States, 15 were located in California, 2 were in Oregon, and 1 each were in Colorado and Washington.

Table 6 shows the distribution of fresh cut rose sales for the 55 growers described above. Although shipments of fresh cut roses (in terms of quantity) by these growers increased in both the eastern and western markets from 1981 to 1983, the share of the eastern market supplied by domestically sourced fresh cut roses declined over the period from 47 percent to 35 percent. $\underline{1}/$

1/ It should be noted that the data cover only 42 growers that sold fresh cut roses in the eastern market. The share of domestically produced fresh cut roses sold in the eastern market that is accounted for by these growers is not known, but the trend in the share of the eastern market accounted for by domestic growers would be similiar to the above trend.

Source and Market	1981	1982	1983
:	Quanti	ty (1,000 blooms)
· · · · · · · · · · · · · · · · · · ·	:		•
Western growers: :	:		:
California: :	:		:
Eastern:	13,038 :	16,201	: 16,659
Western:	. 17,430 :	20,192	: 21,697
Other: :	:		:
Eastern	7,062 :	7,549	: 7,546
Western:	20,717 :	26,093	: 28,596
Eastern growers: ;	•		:
Eastern:	38,784 :	40,379	: 43,072
Western:	- :	_	: -
Imports: :	:		:
Colombia:	52,900 :	75,400	: 98,700
Total:	67.500 :	94,100	: 126.100
Total sales :	:		:
to eastern :	:		:
market::	126,384 :	158,229	: 193,377
:	Share of E	astern market (p	ercent)
Western growers: :	:		÷ 1
California:	10 :	10	: 9
Other:;	6 :	5	: 4
Total:	16 :	15	: 13
Eastern growers:	31 :	26	: 22
Imports: :	:		:
Colombia:	42 :	48	: 51
Total:	53 :	59	: 65
• • • • • • •	:		:

Table 6.--Distribution of fresh cut roses to the eastern and western markets, 1981-83

Source: Sales of domestically grown fresh cut roses, compiled from data submitted in response to questionnaires of the U.S. International Trade Commission; imports, compiled from official statistics of the U.S. Department of Commerce.

Note.--Imports of fresh cut roses into the Eastern market are believed to account for over 90 percent of total U.S. imports. Responses to the importer's questionnaire of the U.S. International Trade Commission indicated that over 93 percent of the fresh cut roses imported from Colombia were destined for the eastern market in 1983.

Imports from Colombia, on the other hand, increased their share of the Eastern market from 42 percent to 51 percent. See appendix D for a discussion of the geographic concentration of the industry.

Export shipments

Endering and suited a constrained and an and a second and

Only Six USS growers reported exports of fresh cut roses grown in their USS. establishments. Total exports by these six growers were minimal, averaging about \$3.1 million per year from 1981 to 1983. As a share of their total shipments, exports by these growers represented more than 8 percent of shipments in 1983. Western Canada was the principal destination for almost all of the exports reported by these growers.

U.S. employment

82 1

The average number of all persons employed by reporting U.S. rose growers declined slowly between 1981 and 1983, decreasing by 3 percent to 2,501 workers (table 7). The average number of production and related workers engaged directly in the production of fresh cut roses declined by 2 percent over the same period and totaled 1,798 workers in 1983. Of the 66 growers reporting data on the average number of all employees in 1983, 26 employed fewer than 21 workers, 23 employed between 21 and 50 workers, and 17 employed more than 50 workers. The growers also reported data on the average number of employees engaged in fresh cut rose production: 31 employed fewer than 20 workers, 1/26employed 21 to 50 workers, and 9 employed more than 50 workers.

Total wages paid to production and related workers growing fresh cut roses increased from \$16.7 million in 1981 to \$19.3 million in 1983, representing an increase of 16 percent. Total wages paid in January-March 1984 totaled \$4.7 million, an increase of 8 percent over wages paid in the corresponding period of 1983. For the most part, production and related workers employed in the bindustry do not have union representation and generally must rely on wages alone as their only form of compensation. Production and related workers involved in growing fresh cut roses for the 66 responding firms worked a total of 3.8 million hours in 1983 and were paid an average hourly wage rate of \$5.04, compared with a total of 3.7 million hours in 1981 at an average rate of \$4.52 per hour. Worker productivity for production and related workers producing fresh cut roses increased from 1981 to 1983, increasing from 68.8 blooms per worker-hour in 1981 to 70.6 blooms per worker-hour in 1983. Worker productivity continued to increase in January-March 1984, averaging 65.8 blooms per worker-hour, up from 63.5 blooms per worker-hour in the corresponding period of 1983.

The Commission's questionnaire requested data on the number of hours worked by owners in the production of fresh cut roses. During the period January 1, 1981, through March 31, 1984, the owners of 45 firms had supplied part of the labor requirements. Hours worked by such owners declined from 196,000 hours in 1981 to 172,000 hours in 1982, before increasing to 182,000 hours in 1983. The hours worked by owners increased in the January-March 1984 period to 55,000 hours, compared with 53,000 in the corresponding period of

1/ Includes one firm that ceased growing roses in 1982.

Table 7.--Fresh cut roses: Average number of employees, total and production and related workers, hours worked by production and related workers, average hourly wage rate earned by such workers, and hours worked by owners, 1981-83, January-March 1983, and January-March 1984

	:			January-Mar ch		
Item ::	1981 :	1982 :	1983 :	1983	1984	
Average number of all :	:	:	:	:		
persons employed	2.581	2.527 :	2.501	2.392 :	2.403	
Average number of production :	2,501 .		2,501 .		2,400	
and relating workers pro-	•					
ducing	•	•	•	•		
All products	2 348 .	2 298 .	2 308	.2 180 .	2 196	
Fresh out roses	1 837 .	1 704	1 709	1 710	1 71 4	
Hours worked by production	1,057 .	±,/34 .	L,790		1,114	
and related worker pro-	· ·	•		•		
ducing	•			•		
All products	•	. •		•		
		A 911 -	A 079		7 144	
Fresh out rososdo	3 600 .	4,011 ·	2 921	977 •	1,144	
Flesh cut rosesuo;	3,090 :	3,/41	3,031	0// .	095	
wages paid to production .	•					
and related workers pro- :	•					
ducing					•	
All products :	22 606 .	22 676	05 700	5 770 .	5 954	
I,000 dollars:	22,000 :	23,0/0		· · · · · · · · · · · · · · · · · · ·	5,634	
Fresh cut rosesdo:	10,001 :	1/,/04 :	19,300	4,375 :	4,730	
Average productivity of pro- :	:			; ;		
duction and related :	•			:		
workers producing fresh :	•			: :		
cut roses	:	(0.0.	70 ((5.0	
Diooms per worker-nour:	68.8 :	68.2	/0.6	63.5 :	62.8	
Average nourly wage rate or :	•			: :		
production and related :	:		,	:		
workers producing fresh :	A 4 EO 1	A 4 3 0			* < •••	
CUL FOSES	\$4.52 :	\$4./3	÷ ¥ 5.04 :	\$ 4.99 :	\$5.30	
Hours worked by owners :	:			: :		
All products :	:			: :		
1,000 hours:	216 :	194	: 210	: 59:	59	
rresh cut rosesdo:	196 :	172	: 182	: 53 :	55	
			:			

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

Note.--Hours worked by owners cover 45 firms; all other data cover 66 firms.

1.1.2

Income-and-loss experience of U.S. growers of fresh cut roses

For the 53 reporting U.S. growers of fresh cut roses, the 1981-83 period was one in which sales of fresh cut roses, total net sales of all products, and pretax net income rose annually. 1/ Fresh cut rose sales and total net sales continued to rise during January-March 1984, but pretax income was down by 34 percent during this period.

U.S. growers of fresh cut roses.--The income-and-loss experience of 53 growers on their fresh cut-rose operations is presented in table 8 for 1981-83, January-March 1983, and January-March 1984. Total net sales of all products rose from \$63 million to \$73 million, or by 16 percent, during 1981-83. Total net sales of all products were \$20.0 million during January-March 1984, up 5 percent from the \$19.0 million in net sales reported for the corresponding period of 1983. Net sales of fresh cut roses increased from \$52 million to \$62 million, or by 21 percent, during 1981-83. Such sales were \$16.7 million during January-March 1984, up 6 percent from the \$15.8 million in net sales reported for the corresponding period of 1983. Sales of cut roses accounted for 82 to 85 percent of total net sales in each of the reporting periods.

Total growing and operating expenses rose 13 percent during 1981-83, and total net sales rose 16 percent during this period. However, total growing and operating expenses rose 11 percent during January-March 1984 compared with January-March 1983, but total net sales rose only 5 percent during this period. <u>2</u>/ As a result, pretax net income fell to 8.2 percent of net sales during January-March 1984, compared with 13.2 percent for the corresponding period of 1983. Pretax net income margins were 3.0 percent, 4.1 percent, and 5.1 percent, respectively, during 1981, 1982, and 1983. The overall return on net sales--including officers' or partners' salaries---was 8.1 percent, 9.0 percent, and 10.2 percent, respectively, in 1981, 1982, and 1983. The overall return was 12.2 percent for January-March 1984, compared with 17.3 percent for the corresponding period of 1983.

Labor costs accounted for about 30 percent of total growing and operating expenses in each year during 1981-83, and gasoline, oil, and fuel costs accounted for about 15 percent of such expenses in each year during this period. No other expense accounted for more than 9 percent of total growing and operating expenses in any one year during 1981-83.

1/ Of the 53 reporting firms, 2 are partnerships, 3 are single proprietorships, and 48 are incorporated, mostly as owner-operated family businesses. In the data discussed in the section, income-and-loss calculations are based on sales figures variously reported at gross value (with commissions to wholesalers expensed) or net values (less wholesalers' commissions): these different methods of reporting do not affect the income values; they do, however, affect the computation of income margins. All income-and-loss data shown in this section are on a cash basis.

2/ Some plants, materials, and so forth are purchased only once a year, but not necessarily during the same month each year.

Table 8.--Income-and-loss experience of 53 U.S. growers on their fresh cutrose operations, 1981-83, January-March 1983, and January-March 1984 <u>1</u>/

			1002	January-March		
: 	1981	1982	1983	1983	1984	
:	:			:	:	
Net sales: :	51 (02)	55 477	70 457	. 15 000	. 16 700	
Cut roses1,000 dollars:	51,693	53,473	62,457	: 15,820	: 16,/39	
Other cut flowersdo:	5,129	5,739 :	5,784	: 1,51/	: 1,614	
Other greenhouse products :	(20(5 020	5 101	. 1 (04	. 1 (0 0	
I,000 dollars:	6,396 :	5,839 :	<u> </u>	: 1,694	1,689	
Total net salesdo:	63,218	67,051 :	/3,422	: 19,031	: 20,042	
Other incomedo:	2,56/ 3	3,088 :	2,528	520	522	
Total net sales and other :	45 305		75 050			
income1,000 dollars:	65,785	: 70,139 :	/5,950	: 19,551	: 20,564	
Growing and operating expenses: :				:		
Hired labor1,000 dollars:	19,504	: 20,235	21,/19	: 4,085	: 4,385	
Plants, bulbs, and seed :				:	:	
purchased1,000 dollars:	4,56/ 3	: 5,131 :	5,559	: 1,/4/	: 1,958	
Materials and supplies :				:	:	
1,000 dollars:	3,219	: 3,105 :	3,728	: 792	: 908	
Repairs and maintenance :		:		•	:	
1,000 dollars:	1,641	: 1,683 :	: 1,781	: 306	: 293	
Depreciation and :	: :	:		•	:	
amortization1,000 dollars:	3,455	: 3,774 :	: 4,261	: 725	: 830	
Taxes and insurancedo:	3,353	: 3,445	: 4,003	: 775	: 848	
Gasoline, oil, and fueldo:	9,961	: 10,581 :	: 10,741	: 4,173	: 4,522	
Water and electricitydo:	2,344	: 2,745 :	: 2,866	: 644	: 726	
Shipping expenses, including: :	:	: :	:	:		
freight1,000 dollars:	540	: 629 :	: 659	: 135	: 139	
Selling expenses, including	; .	:	•	•	•	
sales commissions	:	:	:	:	:	
1,000 dollars:	5,491	: 5,839	: 6,510	: 1,828	: 1,998	
Office expenses, including		:	•	:	:	
salaries1,000 dollars:	1,211	: 1,384 :	: 1,585	: 305	: 505	
Officers' or partners'	:	:	:	:	:	
salaries 2/1,000 dollars:	3,212	: 3,299	: 3,769	: 779	: 803	
Interest expensedo:	1,756	: 2,006 :	: 1,673	: 230	: 205	
Other expensesdo:	3,609	: 3,541	: 3,355	: 511	: 795	
Total growing and operating		:	:	:	:	
expenses1,000 dollars:	63,863	: 67,397	: 72,209	: 17,035	: 18,915	
Net income before income	. .	:	:	:	:	
taxes1,000 dollars:	1,922	: 2,742	: 3,741	: 2,516	: 1,649	
Cash flow from operationsdo:	5,377	: 6,516	: 8,002	: 3,241	: 2,479	
Ratio of total net sales to	:	:	•	:	:	
Cut rose salespercent:	: 82	: 83	: 85	: 83	: 84	
Net income before income	:	:	:	:	:	
taxesdo	3.0	: 4.4	: 5.3	: 13.2	: 8.2	
Officers or partners		:	:	:	:	
salariesdo	5.1	: 4.9	: 5.1	: 4.1	: 4.0	
Number of growers reporting	:	:	:	:		
losses	: 16	: 17	: 14	: 12	: 14	
		:	:	:	:	

1/ Interim data are for only 37 growers.

2/ Salaries of officers or partners were not broken out by 10 growers.

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

Several growers reported significant amounts of other income during 1981-83. In the aggregate, such income was equal to 4.1 percent of total U.S. net sales in 1981; 4.6 percent in 1982, and 3.5 percent in 1983. * * *.

Eastern growers of fresh cut roses. -- Income-and-loss data for 21 eastern growers of fresh cut roses are shown in table 9. Total net sales of all products rose annually from * * * million in 1981 to * * * million in 1983, or by 15 percent. Total net sales were about * * * million during January-March 1983 and January-March 1984. Cut rose sales accounted for 86 to 87 percent of total net sales in each year during 1981-83, and for 81 percent during January-March 1983 and January-March 1984.

Growing and operating expenses rose 11 percent during 1981-83 and 12 percent during January-March 1984, compared with the corresponding period of 1983. The pretax income margin was 0.3 percent, 1.6 percent, and 5.3 percent, respectively, during 1981-83. The 21 eastern growers reported a net loss equal to 8.1 percent of net sales during January-March 1984, compared with a net pretax income equal to 5.5 percent of net sales for the corresponding period of 1983. Including officers' and partners' salaries, the total return on net sales was 6.6 percent, 7.3 percent, and 11.1 percent, respectively, in 1981-83. The return was a negative 2.1 percent of net sales for January-March 1984, compared with a positive return of 11.0 percent for the corresponding period of 1983.

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<u>California growers of fresh cut roses</u>.--The income-and-loss experience of 20 California growers on their fresh cut-rose operations is presented in table 10. These growers accounted for about * * * percent of the sales value of all rose sales reported by the 53 U.S. growers during 1981-83. <u>1</u>/ Total net sales of all products rose annually from * * * million to * * * million, or by 22 percent, during 1981-83. Such sales were * * * million during January-March 1984, up 9 percent from the * * * million in net sales reported for the corresponding period of 1983. Cut rose sales followed the same trend, rising from * * * million to * * * million, or by 26 percent, during 1981-83. Cut rose sales were * * * million during January-March 1984, up 11 percent from the * * * million in sales reported for the corresponding period of 1983.

Total growing and operating expenses also increased annually during 1981-83--from * * * million to * * * million, or by 22 percent. Growing and operating expenses were * * * million during January-March 1984, up 14 percent

1/ Only 14 of the 20 growers supplied interim data for January-March 1983 and January-March 1984.

Table 9.--Income-and-loss experience of 21 eastern U.S. growers on their fresh-cut-rose operations, 1981-83, January-March 1983, and January-March 1984 $\underline{1}/$

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Table 10.--Income-and-loss experience of 20 California growers on their freshcut-rose operations, 1981-83. January-March 1983, and January-March 1984 <u>1</u>/

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from the * * * million reported for the corresponding period of 1983. The pretax returns on net sales were 6.8 percent, 6.2 percent, and 6.8 percent, respectively, during 1981-83, and 21.6 percent for January-March 1984, compared with 24.2 percent for the corresponding period of 1983. Including officers' salaries, the pretax returns on sales were 12.2 percent, 11.8 percent, and 12.1 percent, respectively, in 1981-83 and 24.7 percent during January-March 1984, compared with 27.6 percent for the corresponding period of 1983.

Western growers (excluding California growers) of fresh cut roses.--The income-and-loss experience of 12 western growers other than those in California on their fresh cut-rose operations is presented in table 11. Net sales of all products rose from * * * million to * * * million, or by 6 percent, during 1981-83, and sales of fresh cut roses increased from * * * million to * * * million, or by 16 percent, during this period. Growing and operating expenses rose from * * * million in 1981 to * * * million in 1982 before slipping 3 percent to * * * million in 1983. Such western growers earned income margins of 0.1 percent, 3.9 percent, and 1.2 percent, respectively, in 1981, 1982, and 1983. Including officers' salaries, the total return on net sales were 2.8 percent, 6.4 percent, and 4.9 percent, respectively, in each year during 1981-83. Only six growers furnished interim data for January-March 1983 and January-March 1984. As shown in table 11, total net sales, including rose sales, and earnings were up in January-March 1984.

<u>Investment in productive facilities</u>.--Usable data relating to U.S. growers' investment in productive facilities were received from 44 growers (table 12). Their investment, valued at cost, rose annually during 1981-83, from \$54.9 million to \$60.8, or by 11 percent. The book value of such assets rose irregularly from \$24.4 million to \$24.7 million during this period.

<u>Research and development expenses and capital expenditures</u>. Of the 53 growers that provided usable income-and-loss data, 20 reported research and development expenses during the reporting period. These expenditures averaged \$106,000 a year during 1981-83 and ranged from a low of \$86,000 in 1983 to a high of \$121,000 in 1982. (table 13).

Of the 53 growers, 27 reported that they made capital improvements during 1981-83. The expenditures for these improvements averaged \$2.2 million a year during this period.

Table 11.--Income-and-loss experience of 12 western growers (excluding California growers) on their fresh-cut-rose operations, 1981-83, January-March 1983, and January-March 1984 <u>1</u>/

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(In t	housands	0	f dollar	s)				
	1001	:	1000	:	1002	Mar. 31		
:	1901	:	1962	:	1902	1983	1984	
Original cost: :		:		: :				
Eastern growers: Western growers:	16,809	:	17,735	:	18,552	; 16,221	16,964	
California growers:	22,979	:	23,663	:	26,670	: 21,217	22,718	
All other western growers:_	15,099	:	15,648	:	15,573	9,479	9,503	
Total:	54,887	:	57,046	:	60,795	: 46,917	: 49,185	
Book value: :		:		:		:	:	
Eastern growers:	6,108	:	5,978	:	6,280	: 5,019	: 5,000	
Western growers: :		:		:		:	:	
California growers:	9,526	:	9,232	:	10,448	: 8,215	: 8,536	
All other western growers:	8,754	:	8,938	:	8,020	: 4,820	4,546	
Total:	24,388	::	24,148	:	24,748	: 18,054 :	18,082	

Table 12.--U.S. growers' investment in productive facilities, as of Dec. 31, 1981-83, Mar. 31, 1983, and Mar. 31, 1984 <u>1</u>/

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 $\underline{1}$ / The 1981-83 data are for 44 growers (17 eastern growers, 16 California growers, and 11 other western growers) and the interim data are for 32 growers (13 eastern growers, 11 California growers, and 8 other western growers).

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

		; ; ; ; ; ; ; ; ; ; ; ; ; ; ; ; ; ; ; ;				January-March			
Item :	1981	1982 : :	198 : :	1983		83 ,	:	1984	
		:	:		:		:		
Research and development expenses: :		:	:		:		:		
Eastern growers1,000 dollars:	24 ·	: 49	:	28 [.]	:	5	:	14	
Western growers: :		:	:		:		:		
Californiado:	74	: 57	:	42	:	10	:	15	
All other western growersdo:	14	: 15	:	16	:	3	:	. 2	
Total all growersdo:	112	: 121	:	86	:	18	:	31	
Capital expenditures: :		:	:		:		:		
Eastern growers1,000 dollars:	1,241	: 660	:	994	:	85	:	184	
Western growers: :		:	:		: .	•	:		
California:	695	: 869	: 1,	,032	: .	65	:	70	
All other western growersdo:	268	: 561	:	268	:	33	:	19	
Total, all growersdo:	2,204	: 2,090	: 2,	,294	:	183	:	273	
:		:	:		:	•	:		

Table 13.--U.S. rose growers' research and development expenses and capital expenditures, 1981-83, January-March 1983, and January-March 1984. 1/

 $\underline{1}$ / The area of coverage includes only the 53 growers that provided usable income-and-loss data. Many of the growers reported no research and development expenses or capital expenditures.

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

Consideration of 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 of the LTFV imports, the rate of increase of U.S. market penetration of such imports, the volume of imports held in inventory in the United States, and the capacity of producers in the subject country or countries to generate exports (including the availability of export markets other than the United States). A discussion of the rates of increase in imports of fresh cut roses and of their U.S. market penetration is presented in the section of this report entitled "Consideration of the Causal Relationship Between LTFV Imports and the Alleged Injury to an Industry in the United States." Because of their perishability, inventories of fresh cut roses are not a factor to be taken into consideration. However, it should be noted that roses can be held in a preservative solution at 34 degrees Fahrenheit and 90 to 95 percent relative humidity for 4 to 5 days. They can also be stored dry-pack (not in water) at 32 degrees Fahrenheit and 90 to 95 percent relative humidity for 7 to 10 days.

Colombia is one of the world's leading producers of fresh cut flowers, including fresh cut roses. In 1983, an estimated 180 growers, 33 of which were believed to be rose exporters, utilized 800 hectares (1,976 acres) for growing fresh cut flowers for export. 1/ About 120 hectares of the total was devoted to rose production in 1983. Table 14 shows Colombia's production for export and exports of fresh cut roses during 1981-83. During this period, Colombian production of fresh cut roses increased by 53 percent to 105.4 million blooms. Exports to the United States during the period increased from 61.3 million blooms, or 89 percent of total Colombian exports, in 1981 to 98.2 million blooms, or 93 percent of total exports, in 1983.

> Consideration of the Causal Relationship Between LTFV Imports and the Alleged Injury to an Industry in the United States

U.S. imports

U.S. imports of fresh cut roses have trended sharply upward since the beginning of the 1970's. Prior to that time, imports were insignificant, consisting primarily of border trade with Canada. Imports increased steadily from less than 1 million blooms in 1970 to nearly 39 million blooms in 1980. Almost all varieties of imported fresh cut roses have domestic counterparts that are comparable in quality with the imports. The rapid growth in the imports was facilitated by the development of reliable transoceanic airline schedules and the use of sophisticated receiving and distribution facilities in the United States, particularly in Miami and New York City.

Fresh cut rose imports during 1981-83 increased substantially, rising from 67.5 million blooms, valued at \$13.1 million, in 1981 to 126.1 million blooms, valued at \$30.7 million, in 1983 (table 15). Imports increased by 39.4 percent from 1981 to 1982; in 1983 imports increased by 33.9 percent over those in 1982. The level of imports during January-March 1984 (40.4 million blooms, valued at \$11.3 million) exceeded the level of imports in the corresponding period of 1983 by 49.1 percent. The majority of U.S. fresh cut rose imports are of the hybrid tea variety. In 1983, the sweetheart-rose variety accounted for less than 2 percent of the fresh cut rose imports.

The majority of the U.S. imports of fresh cut roses are accounted for by Colombia, the Netherlands, and Mexico. Other countries that export to the United States include Israel, Guatemala, the Dominican Republic, and Canada. As a share of total U.S. imports (in terms of quantity), fresh cut roses imported from Colombia accounted for a relatively constant 78.3 to 80.1 percent of the total between 1981 and 1983. Such imports increased from 52.9 million blooms, valued at \$11.1 million, in 1981 to 98.7 million blooms, valued at \$26 million, in 1983. Imports from Colombia increased from 22 million blooms, valued at \$6.7 million, in January-March 1983 to 31.6 million blooms, valued at \$9.1 million, in the corresponding period of 1984.

1/ "How the Colombians do it", Florists Review, Apr. 14, 1983.

Table 14.--Fresh cut roses: Colombia's production and exports, 1981-83

			oupund	<u> </u>	0100.007			
		Exports to				: Ratio (percent) of		
Year	Year Production for export	United States	: Oth : mark :	ier : iets: :	Total	: exports to the United : States to : production :		
	•	: .	:	:		:		
1981	: 68,792	: 61,267	: 7,5	;23 :	68,790	: 89		
1982	: 79,149	: 71,451	: 7,6	98 :	79,149	: 90		
1983	: 105,370	: 98,151	: 7,2	219 :	105,370	: 93		
	-		:.	:		•		

(In thousands of blooms)

Source: Compiled from data submitted by the Colombian Flower Growers Association (Asocolflores). .

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Note.--Data provided by Asocolflores indicate that shipments of fresh cut roses by Colombian producers to the home market in Colombia are believed to be equivalent to 10 percent of the production for export. · · ·

				• .:						
Period	Colombia	: Nether- : : lands :	Mexico	All other:	Total r average					
	Quantity (million blooms)									
•		: :	:	:						
1981:	52.9	: 3.2 :	0.4 :	11.0 :	67.5					
1982:	75.4	: 5.2 :	1.0 :	12.5 :	94.1					
1983:	98.7	: 7.2 :	4.9 :	15.3 :	126.1					
January-March :		: .		•						
1983:	22.0	.7 :	.7 :	3.7 :	. 27.1					
1984:	31.6	: 1.8 :	1.6 :	5.4 :	40.4					
:	Value (1,000 dollars)									
	· .	: :		•						
1981:	11,078	: 833 :	51 :	1.138 :	13,100					
1982:	16,049	: 1,158 :	128 :	1,506 :	18,840					
1983:	26,000	: 1,719 :	941 :	2,066 :	30,726					
January-March :		: :	:	: :						
1983;	6,708	: 367 :	189 :	564 :	7,828					
1984:	9,147	: 620 :	579 :	953 :	11,298					
:	Unit value (cents per bloom)									
•		: :								
1981:	20.9	: 25.8 :	13.7	10.4 :	19.4					
1982:	21.3	: 22.5 :	12.7	: 12.0 :	20.0					
1983:	26.3	: 24.0 :	19.2	: 13.5 :	24.4					
January-March :		:	:	i i .						
1983;	30.5	: 52.6 :	25.9	: 15.3 :	28.9					
1984:	29.0	: 35.0 :	36.1	17.7:	28.0					
		<u>. </u>								

Table 15.--Fresh cut roses: U.S. imports for consumption, by principal sources, 1981-83, January-March 1983, and January-March 1984

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

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The average unit value of fresh cut rose imports from Colombia increased from 20.9 cents per bloom in 1981 to 26.3 cents per bloom in 1983. During January-March 1984, the average unit value of imports from Colombia was 29.0 cents per bloom, down from 30.5 cents per bloom during the corresponding period of 1983.

U.S. consumption and market penetration

Apparent U.S. consumption of fresh cut roses increased at an average annual rate of 8.4 percent between 1981 and 1983. The growth was due to the increased flow of imports (which rose at an average annual rate of 36.7 percent) and to increased domestic production (which increased at an average annual rate of 3.5 percent). In 1983, consumption totaled an estimated 616.3 million blooms, up from 524.3 million blooms in 1981 (table 16). Consumption continued to increase in January-March 1984, totaling 149.9 million blooms, or 14 percent higher than consumption in the corresponding period of 1983.

U.S. imports from Colombia and from all other countries as a share of consumption increased steadily from 1981 to 1983 and rose further in January-March 1984 over those in the corresponding period of 1983. Imports from Colombia as a share of consumption increased from 10.1 percent in 1981 to 16.0 percent in 1983; imports from all sources as a share of consumption rose from 12.9 percent to 20.5 percent over the same period. The ratio of imports from Colombia to U.S. consumption reached 21.1 percent in January-March 1984, higher than during any other time period covered by the investigation. This was true as well for imports from all countries other than Colombia (5.9 percent) and for imports from all countries (27.0 percent).

:	U.S. imports from				: :1	Apparent U.S. con-	:	Ratio apparent	of im U.S.	port cons	sun	to ption	
Period :	Colombia	:All :cou	other ntries	:	Total	:	: sumption : 1/	:	From : Colombia :	From oth	all er	Ţ	otal
:		<u> </u>		:		:		:	<u>.</u>	count	ries	::	
			- <u>Millic</u>	n	blooms			:		Percen	<u>t</u>		
:		:		:		:		:	:		•	:	
1981:	52.9	:	14.6	:	67.5	;	524.3	:	10.1 :	•	2.8	:	12.9
1982:	75.4	:	18.7	:	94.1	:	548.5	:	13.8 :		3.4	:	17.2
1983:	98.7	:	27.4	:	126.1	:	616.3	:	16.0 :		4.5	:	20.5
JanMar :		:		:		:		:	:		• •	:	
1983:	22:0	:	5.1	:	27.1	:	131.0	:	16.8 :		3.9	:	20.7
1984:	31.6	:	8.8	:	40.4	:	149.9	:	21.1 :		5.9	:	27.0
<u> </u>		<u>:</u>		:		:		:	<u> </u>			:	

Table 16.--Fresh cut roses: U.S. imports and apparent consumption, 1981-83, January-March 1983, and January-March 1984

1/ Estimated by the U.S. International Trade Commission.

Source: Compiled from official statistics of the U.S. Department of Commerce, except as noted.

Prices .

Prices of fresh cut roses vary according to stem length, color, type, and appearance, as well as from seasonal demands and occasional sharp fluctuations in supply. Higher prices are generally obtained for longer stems, for red versus nonred types, for hybrid tea varieties versus sweetheart varieties, and for fresher looking roses. Higher prices are also obtained during periods of increased demand, which are largely associated with the following holidays: Valentine's Day, Easter, Mother's Day, Memorial Day, Thanksgiving, Hanukkah, and Christmas. Rose prices may also be affected by unexpected changes in the supply of roses. In early 1977, for instance, a frost damaged the Colombian rose crop, thereby limiting the increase in the U.S. supply of roses on Valentine's Day. As a result, U.S. rose prices in February 1977 soared above their normally high holiday levels.

Domestic rose growers and importers of Colombian roses sell their roses either outright or on consignment to one or more types of customers-wholesalers, retail florists, and retail mass merchandisers. On outright sales, the domestic growers and importers generally quote prices f.o.b. from their U.S. locations, with the customer paying the freight; 1/ on consignment sales, the domestic growers and importers receive whatever the consignee can sell the roses for less the consignee's commission, which ranges from approximately 10 to 27 percent of the f.o.b. price. 2/

During this investigation the Commission requested that U.S. rose growers and U.S. importers of Colombian roses provide data on their weighted-average net f.o.b. selling prices and the total number of blooms sold to wholesale florists, to retail florists, and to mass merchandisers for three representative hybrid tea rose products and for two representative sweetheartrose products in three types of transactions (spot, standing-order, and

1/ Purchasers stated in conversations with the Commission's staff that they consider freight charges to be an important factor when sourcing their roses. In the preliminary investigation, reported delivery charges ranged from 1 to 5 cents per bloom.

2/ Based on questionnaire responses of 29 domestic rose growers and 4 importers of Colombian roses that sell roses on consignment. The domestic rose growers reported paying an average consignment fee of 21 percent, whereas the importers reported an average fee of 18 percent. Twenty other responding domestic rose growers and 15 other responding importers reported that they do not sell their roses on consignment. consignment sales), by quarters, during January 1982-March 1984. 1/2/Domestic growers' and importers' selling prices are weighted-average f.o.b. U.S. point-of-shipment prices, net of all discounts, allowances (including freight allowances), U.S. inland freight to customers, any insurance costs, any commission or consignment fees, packing charges (including box charges), inspection charges, and less the value of returned products (credits). These are average prices charged in many different transactions and do not include all the charges required to bring the roses to the purchasers' locations. Such data do not provide the best basis to compare levels of domestic producers' and importers' prices from the purchasers' viewpoint in a particular market area, but they are useful for comparing trends of these prices and should reflect any discounting that may have occurred. Indexes of net f.o.b. selling prices of aggregate rose categories, based on price data reported by domestic growers and importers, are shown in tables 17-22. 3/

To compare delivered purchase prices of domestic and imported Colombian roses in particular market areas, the Commission requested purchasers to furnish the delivered prices they paid for two representative domestic and imported hybrid tea rose products in spot- and standing-order purchases, by quarters, during January 1982-March 1984. 4/ The Commission also requested that delivered price data be reported separately for purchases from suppliers in the Eastern and the Western United States. 5/ To ensure that reported

1/ The five representative rose products used in the domestic grower and importer questionnaires are listed in app. E. The three hybrid tea rose products are numbered 1-3 and the two sweetheart rose products are numbered 4 and 5.

2/ Standing-order sales generally involve verbal agreements between the buyers and sellers for a fixed number of roses per week; prices of these standing-order amounts can be fixed for the year or for a season, or they can fluctuate from week to week. The average standing-order price, however, is generally greater than the average spot-order price. Standing-order agreements usually extend for a year. (Based on questionnaire responses of 31 domestic rose growers and 14 importers of the Colombian roses that answered the question requesting information on standing order sales.)

3/ The weighted-average net f.o.b. selling prices and aggregate quantities sold by responding domestic growers and importers are shown in app. E, tables E-1 through E-7. Indexes of the weighted-average rose prices for the individual rose products are also shown in app. E, tables E-8, through E-13.

4/ The two representative hybrid tea rose products used in the purchasers' questionnaire are listed in app. E; these products are numbered 6 and 7. Prices of domestic and imported Colombian sweetheart-rose products were not requested from purchasers because less than 5 percent of the roses imported from Colombia were the sweetheart varieties; most of the roses imported from Colombia are the hybrid tea varieties.

5/ The terms "Eastern and Western United States" are defined in app. E; they generally refer to the continental United States that is East of the Mississippi River plus Puerto Rico and the continental United States that is West of the Mississippi River plus Alaska and Hawaii, respectively. prices would be comparable, purchasers were grouped as wholesale florists, retail florists, and retail mass merchandisers, and were identified by location. Questionnaires were sent to firms located in the following seven metropolitan areas: Atlanta, Boston, Chicago, Dallas/Fort Worth, Los Angeles, New York, and Philadelphia. Data from respondents are presented by these market areas. Average margins by which the imported Colombian rose products undersold or oversold the domestic products are presented in tables 23-27. 1/2/

Price trends.--Twenty-nine domestic rose growers and 14 importers of Colombian roses reported some selling price data as requested, by quarters, from January 1982 through March 1984. Analysis of the price data indicates the relative importance of different merchandising patterns exhibited by the respondents. The domestic rose growers reported selling approximately 70 percent of their roses to wholesale florists, 30 percent to retail florists, and less than 0.5 percent to mass merchandisers. The importers of Colombian roses, however, reported selling almost all of their roses to wholesale florists. In terms of the types of sales, the domestic growers reported selling approximately 60 percent of their roses on a spot-price basis, 25 percent on a standing-order basis, and 15 percent on consignment; whereas the importers of Colombian roses reported selling approximately 93 percent of their roses on a spot-price basis, 6 percent on a standing-order basis, and only 1 percent on consignment. In terms of the types of roses sold, hybrid tea varieties accounted for 75 percent and sweetheart varieties for 25 percent of the price-volume data reported by domestic growers. In contrast, hybrid tea varieties accounted for almost all of the reported Colombian rose sales.

<u>Sales to wholesale florists</u>.--Domestic rose growers' selling prices of both hybrid tea and sweetheart roses sold to wholesale florists generally increased in the January-March periods of 1982-84 and in the full-year period of 1983 compared with selling prices in the full-year period of 1982, whereas importers' selling prices of Colombian hybrid tea roses fell in the latest periods (tables 17, 18, 19, and 20). 3/4/ Because so few sales of imported

<u>l</u>/ Average margins of under selling/(overselling) were calculated as the percentage difference in the weighted-average delivered purchase price of imported Colombia roses from the weighted-average delivered purchase price of domestic roses.

2/ The weighted-average delivered purchase prices and aggregate quantities purchased by responding purchasers are shown in app. F, tables F-1 through F-12.

3/ Because of strong seasonal price fluctuations, trends in rose prices could not be made on a contiguous quarter basis. Almost without exception, the reported quarterly prices showed the following pattern during a given year: highest prices of the year in January-March, lower prices in April-June, lowest prices of the year in July-September, and higher prices in October-December.

4/ Tables E-8, E-9, E-11, and E-12 show price indexes for the individual rose products, by stem lengths, that were sold to wholesalers.

Table 17.--Indexes of f.o.b. weighted-average net selling prices of domestic and imported Colombian red hybrid tea roses, by types of customers, and by types of sales, quarterly January-March 1982-84, and annually 1982 and 1983 <u>1</u>/

(Januar y-hat ch	1982-1007	
Sales to wh	Sales of U.S.	
U.S. :	Colombian	roses to retail
roses :	roses	tlorists 2/
:		:
:		:
:		:
100 :	. 100	: 100
100 :	101	: 101
115 :	92	: 100
•		• •
:	· · · · · ·	•
100 :		: -
106 :	·	.
96 :	3/	· · · · · · · · · · · · · · · · · · ·
		· ·
	·	• •
100 :	100	: 100
111 :	104	97
103 :	105	. 93
		:
100 :	100	: 100
104 :	101	: 100
108 :	94	. 99
		·
		:
:		
100 :	. 100	: 100
106 :	92	: 103
		:
		•
100 :	-	100
105	3/	: 101
	<u> </u>	
•		•
100 ·	100	• 100
107 •	105	. 100
	103	
	Connunt y - March Sales to wh U.S. roses 100:	(Januar J-Aart (1 1982-100) Sales to wholesalers U.S. Colombian roses roses 100 100 100 100 100 101 115 92 100 - 100 - 100 - 100 - 100 - 100 - 100 - 100 100 111 104 103 105 100 100 104 101 108 94 (1982=100)

(January-March 1982=100)

See footnotes on next page

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Table 17.--Indexes of f.o.b. weighted-average net selling prices of domestic and imported Colombian red hybrid tea roses, by types of customers and by types of sales, quarterly January-March 1982-84, and annually 1982 and 1983 1/--Continued

(January-March 1982=100)							
Type of sale and period	:	Sales	:	Sales of U.S.			
	:	U.S. roses	:	Colombian roses	-: :	florists <u>2</u> /	
·	:		:		:		
Total sales:	:		:		:		
Jan-Dec	:		:		:		
1982	:		100 :	100	:	100	
1983	:		106 :	93	:	102	
	:	•	:	•	:		

<u>l</u>/ Indexes were based on the f.o.b. net selling price data reported by domestic rose growers and by importers of Colombian roses. The above price indexes are weighted-average aggregates of the price indexes shown by stem lengths in table E-8.

<u>2</u>/ Importers of Colombian roses did not report any sales of the red hybrid tea rose products to retail florists. It is believed that importers sell primarily to wholesale florists.

3/ Insufficient data to calculate indexes.

4/ Data not available.

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

Table 18.--Indexes of f.o.b. weighted-average net selling prices of domestic red sweetheart roses, 1/ by types of customers, and by types of sales, quarterly January-March 1982-84, and annually 1982 and 1983 2/

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		Sales of Wholesalers					Sales to retail florists					
Type of sale	JanMar.			JanDec.		: JanMar.			JanDec.			
	1982	1983	1984	1982	1983	1982	1983	1984	1982	1983		
Spot sales	: : 100	: : 105	: 107	: : 100	: : 109	: : 100	: : 112	: : 120	: : 100	: : 104		
sales	100	: 122	: 113	: 100	: 100	: -	: -	: -	: -	:		
sales Total sales	: 100 : 100	: : 109 : 109	: 95 107	: : 100 : 100	: : 107 : 107	: : 100 : 100	: : 107 : 110	: : 113 : 118	: : 100 : 100	: : 105 : 105		
	:	:	:	:	:	:	:	:	:	:		

(January-March 1982=100; 1982=100)

 $\underline{1}$ / Importers of Colombian roses reported a single sale of red sweetheart roses to wholesalers and no sales to retail florists. Over 95 percent of imported Colombian roses are the hybrid tea varieties.

2/ Indexes were based on the f.o.b. net selling price data reported by domestic rose growers. The above price indexes are weighted-average aggregates of the price indexes shown by stem lengths in table E-11.

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

Table 19.--Indexes of f.o.b. weighted-average net selling prices of domestic red hybrid tea roses to wholesalers, by sources of domestic suppliers, and by types of sales, quarterly January-March 1982-84, and annually 1982 and 1983 <u>1</u>/

Type of sale and period	Eastern suppliers	California suppliers	: Other : western : suppliers		
Snot sales:					
Tan - Man		· .	•		
		100	. 100		
1002	100 .	100	. 100		
1903	100 .	70 114	. 110		
1904	TT4 :	ŢŢŎ			
Consignment sales.			i .		
Janmar :	100	100	100		
1982:	100 :	100	100		
1983:	110		101		
		τυς	93		
Standing-order sales: :	1.1.1		•		
JanMar			;		
1982:	100	: 100	: 100		
1983:	120	110	: 118		
1984	. 153 :	104	: 105		
Total sales: :	:		•		
JanMar :			:		
1982:	100	: 100	: 100		
1983;	110	: 104	: 110		
1984:=	112	. 112	:107		
:					
Spot sales: :	······································	<u></u>	:		
JanDec :	:	:	;		
1982:	100	: 100	100		
1983:	117	: 103	: 110		
Consignment sales: :		:	:		
JanDec :			:		
1982:	100	: 100	: 100		
1983:	110	: 110	: 101		
Standing-order sales: :		•	•		
JanDec :		•	:		
1982:	100	: 100	100		
1983:	111	: 110	; 106		
Total sales: :		• •	•		
JanDec :			:		
1982:	100	: 100	: 100		
1983:	111	: 107	: 104		

1/ Indexes were based on the f.o.b. net selling price data reported by domestic rose growers. The above price indexes are weighted-average aggregates of the price indexes shown by stem lengths, in table E-9.

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

Table 20.--Indexes of f.o.b. weighted-average net selling prices of domestic red sweetheart roses to wholesalers, by sources of domestic suppliers, and by types of sales, quarterly January-March 1982-84, and annually 1982 and 1983 $\underline{1}/$

	January-March 198	0+20-		
Type of sale	Eastern suppliers	California suppliers	western	
			suppliers	
Spot sales: .	:			
JanMar	:	:		
1982:	100 :	100 :	100	
1983:	103 :	104	. 111	
1984:	100 :	116	87	
Consignment sales: :	:		-	
JanMar :	:			
1982:	100 :	100	100	
1983:	111 :	114	: 130	
1984:	117 :	104	: 112	
Standing-order sales: :	:			
JanMar	:		·	
1982:	100 :	100	. 100	
1983:	115 :	106	100	
1984:	142 :	107	98	
Total sales: :	:	·		
JanMar				
1982:	100 :	100	100	
1983:	110 :	105	: 117	
1984	116 :	113	: 97	
		······································	· · · · · · · · · · · · · · · · · · ·	
•		(1982=100)	· . ·	
Spot sales:	:	·····	:	
Jan, -Dec	•		•	
1982:	100 :	100	: 100	
1983:	109 :	107	: 107	
Consignment sales: :		· · · · · ·	•	
JanDec :	:		•	
1982:	100 :	100	: 100	
1983:	106 :	111	: 98	
Standing-order sales: :	•		•	
JanDec ' :	:	•	:	
1982:	100 :	100	: 100	
1983:	117 :	108	: 116	
Total sales:	:		:	
JanDec				
1982	100 :	100	: 100	
1983	107	108	105	
			: 103	

<u>l</u>/ Indexes were based on the f.o.b. net selling price data reported by domestic rose growers. The above price indexes are weighted-average aggregates of the price indexes shown by stem lengths, in table E-12. <u>2</u>/ Data not available.

• ..

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

Colombian sweetheart roses were reported, no price trends of the imported sweetheart roses could be developed. Combining the three types of sales, the quarterly price index (January-March 1982-100) of domestic hybrid tea roses increased to 104 in January-March 1983 and 108 in January-March 1984, but the price index of the Colombian roses fell to 94 in January-March 1984 after rising slightly to 101 in January-March 1983 (table 17). Similarly, the annual price index (1982=100) of domestic hybrid tea roses increased to 106 in 1983, compared with a decline to 93 for the Colombian roses. The quarterly price index of domestic sweetheart roses increased to 109 in January-March 1983 but fell slightly in January-March 1984, to 107; the annual price index increased to 107 in 1983 (table 18). $\underline{1}/$

Although price trends, based on sales to wholesalers, in each of the three sales categories generally corresponded to the aggregate trends, some exceptions occurred. In particular, domestic growers' selling prices of hybrid tea and sweetheart roses declined during January-March 1984 on both consignment and standing order sales (tables 17 and 18). On consignment sales, the price index of domestic hybrid tea roses fell by approximately 9 percent in January-March 1984 compared with January-March 1983; the price index of domestic sweetheart roses fell by approximately 7 percent. On standing order sales, the price index of domestic hybrid tea roses fell by approximately 7 percent in January-March 1984 compared with January-March 1983; the price index of domestic sweetheart roses fell by approximately 13 percent. In comparison, the price index of the Colombian hybrid tea roses sold on a standing order basis increased slightly during this period, by approximately 1 percent. Because of insufficient data, price indexes of the Colombian sweetheart roses sold in any type of sale and Colombian hybrid tea roses sold on consignment could not be developed.

Indexes of reporting domestic rose growers' selling prices to wholesale florists, by regional locations of suppliers, are shown in tables 19 and 20 for hybrid tea and sweetheart roses, respectively. On the basis of total sales of hybrid tea roses and of sweetheart roses, reporting eastern growers generally reported faster rising prices than those reported by western growers. Some exceptions to this pattern occurred, however, by types of sales, most notably in spot sales of both the hybrid tea and sweetheart roses and in consignment sales of sweetheart roses. On the basis of spot sales, quarterly selling price indexes (January-March 1982=100) of the eastern rose growers were generally lower than those of the California rose growers and the other western rose growers in both January-March 1983 and January-March 1984. On a consignment basis, the eastern rose growers' quarterly selling price index in January-March 1983 was lower than that for the California rose growers or the other western rose growers.

1/ In comparison, the U.S. Producer Price Index for consumer nondurables (excluding food and energy) increased by 4.5 percent from January-March 1982 to January-March 1983, by 8 percent from January-March 1982 to January-March 1984, and by 3.4 percent from 1982 to 1983.
Sales to retail florists .-- Domestic rose growers' selling prices of hybrid tea roses sold to retail florists generally decreased in the January-March periods of 1982-84 but increased in the full-year period of 1983 compared with selling prices in the full-year period of 1982, whereas the selling prices of sweetheart roses sold to retail florists generally increased (tables 17, 18, 21, and 22). 1/ Because of insufficient data, price indexes of imported Colombian roses (hybrid tea and sweetheart) sold to retail florists could not be developed. Combining spot and standing-order sales, 2/the guarterly price index (January-March 1982=100) of domestic hybrid tea roses remained at 100 in January-March 1983 but fell slightly to 99 in January-March 1984 (table 17). The annual price index (1982=100) of domestic hybrid tea roses increased to 102 in 1983. The quarterly price index of domestic sweetheart roses increased to 110 in January-March 1983 and increased further in January-March 1984, to 118; the annual price index increased to 105 in 1983 (table 18). Price trends in the spot and standing-order sales categories, for hybrid tea and sweetheart roses, generally corresponded to the aggregate trends.

Indexes of reporting domestic growers' selling prices to retail florists, by regional locations of suppliers, are shown in tables 21 and 22 for hybrid tea and sweetheart roses, respectively. As shown in table 21, eastern growers generally reported faster rising prices of hybrid tea roses than those reported by western growers. For sweetheart roses, however, eastern growers' prices generally increased more slowly than those of California growers, but faster than those of western growers other than those in California (table 22).

<u>Price comparisons</u>.--Eight wholesale florists, 12 retail florists, and 4 retail mass merchandisers reported delivered purchase prices that resulted in 110 price comparisons between the domestic and imported Colombian hybrid tea rose products. In 62 of these 110 comparisons the domestic rose products were undersold by competing imported Colombian roses, by average margins ranging from 1 to 53 percent. Purchase prices were reported for both hybrid tea roses grown domestically and imported from Colombia, but not necessarily for each quarter during January 1982-March 1984, each metropolitan area, or each type of customer. In many instances reported pricing data of the imported rose products could not be matched with corresponding data of the domestically grown products because of differences in periods, metropolitan areas, or types of purchasers.

<u>Wholesale florists--3</u>/ Eight wholesale florists reported usable delivered purchase price data that resulted in 43 spot price comparisons and 8 standing-order price comparisons between the domestic and imported Colombian

<u>1</u>/ Tables E-8, E-10, E-11, and E-12 show price indexes for the individual rose products, by stem lengths, that were sold to retail florists.

2/ Because of insufficient data, price indexes of domestic hybrid tea and sweetheart roses sold on consignment to retail florists could not be developed.

<u>3</u>/ The eight wholesale florists that reported price-comparison data also reported information concerning competition between domestic and imported Colombian roses in the U.S. market. See app. C for a discussion of this information.

Table 21.--Indexes of f.o.b. weighted-average net selling prices of domestic red hybrid tea roses to retail florists, by sources of domestic suppliers, and by types of sales, <u>1</u>/ quarterly January-March 1982-84, and annually 1982 and 1983 <u>2</u>/

	(January-March 1982=100)						
Type of sale and period	Eastern suppliers	Eastern California suppliers suppliers					
: Spot sales: :	:	:					
JanMar		:					
1982:	100 :	100 :	100				
1983:	103 :	95 :	107				
1984:	100 :	90 :	105				
Standing-order sales: :		:					
JanMar :	:	•					
1982:	100 :	100 :	. 100				
1983:	103 :	95 :	102				
1984:	110 :	90 :	104				
Total sales: :		:					
JanMar :	•	•					
1982:	100 :	100 :	100				
1983:	103 :	95 :	106				
1984:_	110 :	90 :	105				
	: (1982=100)						
Spot colocy			7.5				
Spot sales:	•	•					
	100	:	100				
1902		100 :	100				
Standing order calory	104 :	101 :	105				
Inp - Dog	•						
1982	. 100 .	: 100 ·	100				
1983	100 .	100 ;	. 100				
Total sales:	102 :	101 :	105				
Jan _Dec	•	•					
1982	· 100 ·	۱۵۵۰	100				
1983	100 .	101 •	100				
1/00	104 .		103				
······································		······································					

1/ Domestic rose growers did not report any consignment sales of the red hybrid tea rose products to retail florists.

2/ Indexes were based on the f.o.b. net selling price data reported by domestic rose growers. The above price indexes are weighted-average aggregates of the price indexes shown by stem lengths, in table E-10.

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

Table 22.--Indexes of f.o.b. weighted-average net selling prices of domestic red sweetheart roses to retail florists, by sources of domestic suppliers, and by types of sales, <u>1</u>/ quarterly January-March 1982-84, and annually 1982 and 1983 <u>2</u>/

Type of sale and period	Eastern suppliers	California suppliers	: Other : western : suppliers				
	•		:				
Spot sales: :	• •		;				
JanMar :	:		•				
1982:	100 :	. 100	: 100				
1983:	113 :	122	: 102				
1984:	131 :	126	: 101				
Standing-order sales: :	:		:				
JanMar :	· •		:				
1982:	100 :	100	:				
1983:	102 :	122	:				
1984:	106 :	126	: -				
Total sales: :	•	· · ·	:				
JanMar :	· :	• .	•				
1982:	100:	100	: 100				
1983:	109 :	122	: 102				
1984:	121 :	126	: 101				
	(1982=100)						
Spot sales:	:		:				
JanDec			• •				
1982:	100 :	100	: 100				
1983:	103	100					
Standing-order sales:			•				
Jan -Dec	•	•	•				
1982	100 •	100	100				
1983	103 •	100					
Total sales:	105 .	. 100	•				
Ian _Dec :	•	•	•				
	100 •	100	. 100				
1002	. 100 .	100	. 100				
1303	102 :	100	. 99				
			· ·				

 $\underline{1}$ / Domestic rose growers did not report any consignment sales of the red-sweetheart-rose products to retail florists.

2/ Indexes were based on the f.o.b. net selling price data reported by domestic rose growers. The above price indexes are weighted-average aggregates of the price indexes shown by stem lengths, in table E-13.

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

hybrid tea rose products (tables 23 and 24). The 51 wholesaler price comparisons represented purchases in the Atlanta, Chicago, and Dallas/Fort Worth metropolitan areas. Of the 43 spot price comparisons, Atlanta accounted for 18 comparisons, Chicago for 16, and Dallas/Fort Worth for 9. Dallas/Fort Worth accounted for all 8 standing-order price comparisons. As shown in tables 23 and 24, all 51 wholesaler price comparisons are between western-grown domestic roses and imported Colombian roses. The reported delivered purchase price data did not allow wholesaler price comparisons to be made between the eastern-grown domestic roses and Colombian roses or comparisons in the other four requested metropolitan areas. Nineteen of the spot price comparisons and 1 standing-order price comparison showed underselling by the Colombian roses; average margins ranged from 3 to 26 percent for the spot price comparisons; the only underselling margin in standing-order prices was 24 percent.

All three market areas in which price comparisons between domestic and imported Colombian roses were possible showed some underselling by the Colombian roses. In Atlanta, 7 of the 18 spot price comparisons showed underselling by the Colombian roses, with average margins ranging from 10 to 26 percent (table 23). In Chicago, 6 of the 16 spot price comparisons showed underselling by the Colombian roses, with average margins ranging from 3 to 25 percent (table 23). In Dallas/Fort Worth, six of the nine spot price comparisons showed underselling by the Colombian roses; average margins of underselling ranged from 3 to 20 percent (table 23). Only one of the eight standing-order price comparisons showed underselling by the Colombian roses, by 24 percent (table 24).

<u>Retail florists--1</u>/ Twelve retail florists reported usable delivered purchase price data that resulted in 29 spot price comparisons and 10 standing-order price comparisons between the domestic and imported Colombian hybrid tea rose products (tables 25 and 26). Twenty-one of the 29 spot price comparisons showed underselling by the imported Colombian roses, with average margins ranging from approximately 1 to 51 percent. Six of the 10 standing-order price comparisons showed underselling, with average margins ranging from 5 to 31 percent. The 29 spot price comparisons, which included eastern- and western-grown domestic roses, reflect purchases by retail florists in the Atlanta, Boston, and Philadelphia metropolitan areas. Atlanta

1/ Eleven of the 12 retail florists that reported the price-comparison data, also reported information concerning competition between domestic and imported Colombian roses in the U.S. market. See app. G for a discussion of this information.

Table 23.--Margins of underselling/(overselling) based on wholesalers' delivered purchase prices for spot-market purchases of red hybrid tea roses: $\underline{1}$ / Average margins by which imported Colombian roses undersold/ (oversold) domestic roses, by purchaser market areas, by selected stem lengths, and by quarters, January 1982-March 1984

: Purchaser market area :_	Stem length					
and period :	18-26 inches :	26 inches and over				
:	:					
Atlanta 2/	:					
1982:	:					
January-March:	22 :	10				
April-June:	(3):	20				
July-September:	(33):	(5)				
October-December:	(6):	14				
1983: :	;					
January-March:	(3):	10				
April-June:	(8):	(2)				
July-September:	(16):	(8)				
October-December:	(8):	(2)				
1984: January-March:	26 :	22				
:	:					
Chicago 3/ :	:					
1982: :	:					
January-March:	(29):	(11)				
April-June:	- :	(15)				
July-September:	- :	(19)				
October-December:	(3):	(5)				
1983: :	:					
January-March:	3 :	21				
April-June:	(8):	16				
July-September:	(21):	(3)				
October-December:	(9):	13				
1984: January-March:	25 :	19				
	:					
Dallas/Fort Worth 4/ :	:					
1982:	:					
January-March:	0 :	-				
April-June:	13 :	-				
July-September	14 :	_				
October-December	27 · 8 ·	-				
	14 A					

(In percent)

See footnotes at end of table.

Table 23.--Margins of underselling/(overselling) based on wholesalers' delivered purchase prices for spot-market purchases of red hybrid tea roses: <u>1</u>/ Average margins by which imported Colombian roses undersold/(oversold) domestic roses, by purchaser market areas, by selected stem lengths, and by quarters, January 1982-March 1984--Continued

(In percent)					
: Purchaser market area :	Stem len	ngth			
(In Purchaser market area and period Dallas/Fort Worth 4/ (Continued) 1983: January-March April-June July-September October-December 1984: January-March	18-26 inches :	26 inches and over			
•	:				
Dallas/Fort Worth 4/	:				
(Continued) :	:				
1983: :	:				
January-March:	(14):				
April-June:	3 :	-			
July-September:	8 :	. -			
October-December:	0 :	-			
1984: January-March;	20 :	.			
-	:				

1/ Average margins of underselling/(overselling) were calculated as the percentage difference in the weighted-average delivered purchase price of the imported Colombia roses from the weighted-average delivered purchase price of the domestic roses. Average margins resulting from domestic prices less than prices of the imported Colombian roses (overselling) are shown in parentheses ().

2/ In the Atlanta area, average margins were based on delivered purchase prices reported by 2 wholesale florists.

3/ In the Chicago area, average margins were based on delivered purchase prices reported by 3 wholesale florists.

4/ In the Dallas/Fort Worth area, average margins were based on delivered purchase prices reported by 3 wholesale florists.

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

Note.--All data in the above table refer to western-grown roses. No delivered purchase price comparisons based on wholesalers' spot-market purchases were possible between the U.S. eastern-grown rose products and the imported Colombian rose products. Table 24.--Margins of underselling/(overselling) based on wholesalers' delivered purchase prices for standing-order purchases of red hybrid tea roses: <u>1</u>/ Average margins by which imported Colombian roses undersold/(oversold) domestic roses, by purchaser market areas, by selected stem lengths, and by quarters, January 1982-March 1984

	(In percent)		
Purchaser market area and period	:	26 inches and in stem leng	over th
· ·	:		
Dallas/Fort Worth 2/	:		
1982:	:		
January-March	:		· · -
April-June	:		***
July-September	:		***
October-December	:	•	***
1983:	:		
January-March	:		***
April-June	:		***
July-September			***
October-December	:		***
1984: January-March	:		***
		· · · · · · · · · · · · · · · · · · ·	

l/ Average margins of underselling/(overselling) were calculated as the percentage difference in the weighted-average delivered purchase price of the imported Colombia roses from the weighted-average delivered purchase price of the domestic roses. Average margins resulting from domestic prices less than prices of the imported Colombian roses (overselling) are shown in parentheses ().

2/ In the Dallas/Fort Worth area, average margins were based on delivered purchase prices reported by 2 wholesale florists.

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

Note.--All data in the above table refer to western-grown roses. No delivered purchase price comparisons based on wholesalers' spot-market purchases were possible between the U.S. eastern-grown rose products and the imported Colombian rose products.

Table 25.--Margins of underselling/(overselling) based on retail florists' delivered purchase prices for spot-market purchases of red hybrid tea roses: <u>1</u>/ Average margins by which imported Colombian roses undersold (oversold) domestic roses, by purchaser market areas, by selected stem lengths, and by quarters, January 1982-March 1984

		<u>(In perce</u>				
:	U.S.	eastern-	. U.S. 1	western- :	Total II	5 70000
Purchaser :	grow	n roses :	grow	n roses :		.s. roses
market area and period	18-26 inches	26 inches and over	18-26 inches	26 inches and over	18-26 inches	26 inches and over
		:		: :		:
Atlanta 2/ :						•
1982:	<i>(</i>)	:		: :		:
January-March;	(11)	: - :	: 4	- :	(5)	: -
April-June:	3	: - :	: 1	: - :	2	: -
July-September:	(31)	: - :	: (5)	: -:	(20)	: -
October-December:	(18)	: - :	: (13)	: - :	(16)	: –
1983: :		:	:	: :		:
January-March:	(17)	: 0	: 10	: - :	(7)	: 0
April-June:	19	: 3:	: 24	: - :	21	: 3
July-September:	19	: - :	: 24	: - :	21	: -
October-December:	27	: - :	: 20	: - :	25	: -
1984: January- :		•	:	: :		; *
March:	2	: - :	: 11	: -:	5	: -
:		:	:	: :		:
Boston 3/ :	. •	:	:	: :		:
1982: :		:	:	: :		:
January-March:	***	: -	: -	: -:	***	: -
April-June:	***	: - :	: -	: - :	***	: –
October-December:	***	: - :	: -	: - :	***	: -
1983: :		:	:	: :		:
January-March:	***	: –	: -	: -:	***	: -
July-September:	***	: - :	: -	: - :	***	: -
October-December:	***	: -	: -	. – :	***	: -
•		•	•			•

(In percent)

See footnotes at end of table.

Table 25.--Margins of underselling/(overselling) based on retail florists' delivered purchase prices for spot-market purchases of red hybrid tea roses: 1/ Average margins by which imported Colombian roses undersold/ (oversold) domestic roses, by purchaser market areas, by selected stem lengths, and by quarters, January 1982-March 1984--Continued

: Purchaser :	U.S. grow	eastern- n roses	U.S. U.S.	western- n roses	Total U	.S. roses		
market area and period	18-26 inches	26 inches and over	18-26 inches	26 inches and over	18-26 inches	26 inches and over		
	Percentage							
Philadelphia 4/ :		:	:	: :	:	:		
1982: January- :		:		: :	:	:		
March:	46	: - :	: -	: - :	46	: –		
1983: January- :		:	:	: :	:	:		
March:	49	: - :	: -	: - :	: 49	: -		
1984: January- :		:	:	:	:	:		
March;	51	: - :	: -	: - :	: 51	: –		
:		:		:		:		

1 Average margins of underselling/(overselling) were calculated as the percentage difference in the weighted-average delivered purchase price of the imported Colombia roses from the weighted-average delivered purchase price of the domestic roses. Average margins resulting from domestic prices less than prices of the imported Colombian roses (overselling) are shown in parentheses ().

2/ In the Atlanta area, average margins were based on delivered purchase prices reported by 4 retail florists.

3/ In the Boston area, average margins were based on delivered purchase prices reported by 1 retail florist.

4/ In the Philadelphia area, average margins were based on delivered purchase prices reported by 4 retail florists.

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

Table 26.--Margins of underselling/(overselling) based on retail florists' delivered purchase prices for standing-order purchases of red hybrid tea roses: <u>1</u>/ Average margins by which imported Colombian roses undersold (oversold) domestic roses, by purchaser market areas, by selected stem lengths, and by quarters, January 1982-March 1984

(11	n percent) :	· · · · · · · · · · · · · · · · · · ·			-			
Purchaser market area	:	Stem length						
and period	:	18-26	:	26 inch	es			
		inches	:	and over	er			
	:		:		•			
<u>Atlanta</u> 2/	:	•	:	• • •				
1982:	:	•	:					
January-March	:	•	30 :	•	-			
April-June	:		15 :	· :	-			
July-September	:		(4):					
October-December	:		(2):					
1983:	:		:					
January-March	:		23 :		-			
April-June	:		13 :	,	-			
July-September	:		0 :		-			
October-December	:		5 .	· :				
1984: January-March	:	۰	31 :		_			
	•		•		· .			
Boston 3/	•		•.					
1983: January-March	:	· . •	- :	· · · · · · · · · · · · · · · · · · ·	(32)			

1/ Average margins of underselling/(overselling) were calculated as the percentage difference in the weighted-average delivered purchase price of the imported Colombia roses from the weighted-average delivered purchase price of the domestic roses. Average margins resulting from domestic prices less than prices of the imported Colombian roses (overselling) are shown in parentheses ().

2/ In the Atlanta area, average margins were based on delivered purchase prices reported by 3 retail florists.

3/ In the Boston area, average margins were based on delivered purchase prices reported by 3 retail florists.

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

Note.--All data in the above table refer to eastern-grown roses. No delivered purchase price comparisons based on retail florists' standing-order purchases were possible between the U.S. western-grown rose products and the imported Colombian rose products. accounted for 20 of the 29 spot price comparisons, whereas Boston accounted for 6 and Philadelphia accounted for 3 of these comparisons. Of the 10 standing-order price comparisons, Atlanta accounted for 9 and Boston for 1. The reported delivered purchase price data did not allow price comparisons in the other requested metropolitan areas.

In Atlanta, 13 of the 20 spot price comparisons between the domestic and imported Colombian rose products showed underselling by the Colombian roses, ranging from 1 to 27 percent (table 25); and 6 of the 9 standing-order price comparisons showed underselling, with average margins ranging from 5 to 31 percent (table 26). Of the 13 instances of underselling involving spot price comparisons, 6 involved eastern-grown domestic roses and 7 involved western-grown domestic roses. Average margins in the six instances of underselling involving eastern-grown domestic roses ranged from 2 to 27 percent, and in the seven instances of underselling involving western-grown domestic roses average margins ranged from 1 to 24 percent. All nine standing-order price comparisons in the Atlanta area involved only eastern-grown domestic roses and the imported Colombian roses.

In Boston, five of the six spot price comparisons between the domestic and imported Colombian rose products showed underselling by the Colombian roses, with average margins ranging from 18 to 49 percent (table 25); the single standing-order price comparison showed overselling (table 26). All seven delivered purchase price comparisons in the Boston area involved only eastern-grown domestic roses and imported Colombian roses.

In Philadelphia, all three of the spot price comparisons between the domestic and imported Colombian rose products showed underselling by the Colombian roses, with average margins of 46, 49, and 51 percent (table 25). All three price comparisons in the Philadelphia area involved only easterngrown domestic roses and imported Colombian roses. No standing-order price comparisons were possible in the Philadelphia area.

<u>Retail mass merchandisers</u>--1/ Four retail mass merchandisers reported usable delivered purchase price data that resulted in 20 spot price comparisons between the domestic and imported Colombian hybrid tea rose products; these comparisons represent retail mass merchandisers' reported purchases in the Boston and Dallas/Fort Worth metropolitan areas (table 27). Boston accounted for 9 comparisons and Dallas/Fort Worth for 11 comparisons. As shown in table 27, the 20 spot price comparisons, which involved both eastern- and western-grown domestic roses and imported Colombian roses, showed 15 instances of underselling by the Colombian roses, with average margins ranging from 5 to 53 percent. The reported delivered purchase price data did not allow retail mass merchandiser price comparisons on a standing-order basis or in the other five requested metropolitan areas.

In Boston, seven of the nine spot price comparisons between the domestic and imported Colombian rose products showed underselling by the Colombian

1/ Three of the four retail mass merchandisers that reported the pricecomparison data, also reported information concerning competition between domestic and imported Colombian roses in the U.S. market. See app. G for a discussion of this information.

Table 27: Margins of underselling/(overselling) based on mass merchandisers' delivered purchase prices for spot-market purchases of red hybrid tea roses: $\underline{1}$ / Average margins by which imported Colombian roses undersold/ (oversold) domestic roses, by purchaser market areas, by selected stem lengths, and by quarters, January 1982-March 1984

		(In perce	ent)			
	U.S.	eastern- :	U.S.	western-	Total U	S 70000
Purchaser :	grow	n roses :	grow	n roses :		.5. roses
market area : and period :	18-26 inches	26 inches and over	18-26 inches	26 inches and over	18-26 inches	26 inches and over
-	···• /	: :		: :		:
Boston $2/$:		:		: :		:
1982: :		: :		: :		:
January-March:	***	: - :	-	: - :	***	: -
April-June:	***	: - :	-	: -:	***	: -
July-September:	***	: - :	-	: -:	***	: -
October-December:	***	: - :	-	: -:	***	: –
1983:		: :	•	: :		:
January-March:	***	: - :		: - :	***	: –
April-June:	***	: - :	-	: - :	***	: –
July-September:	***	: - :	-	: - :	***	: -
October-December:	***	: - :		: - :	***	: -
1984: January- :		:	1	: :		:
March:	***	: -:	·	: - :	***	: -
		•	1	: :		•
Dallas/Fort Worth 3/ :		•	•	: :		•
1982.		•				•
January-March	***	• • _ •	_	• _ •	***	
Aprila Jupearanti	***	• _ •	· _	• _ •	***	· _
Tuly Soptombor	***	•	***		***	
October December	***	•	***	• -•	***	••••
Joga.		. –		. – .	~~~	
1903: ·		•		• •	***	•
January-March:	÷ —	-			~~~	-
April-June:	-	: -	***	: -:	*** ***	-
July-September:	· –	: -	. ×××	: -:	***	
October-December:	-	: -	***	·	***	: -
1984: January- :		•		: :		•
March:		:	***	: -:	***	: -
:		:	-	: :		:

1/ Average margins of underselling/(overselling) were calculated as the percentage difference in the weighted-average delivered purchase price of the imported Colombia roses from the weighted-average delivered purchase price of the domestic roses. Average margins resulting from domestic prices less than prices of the imported Colombian roses (overselling) are shown in parentheses ().

2/ In the Boston area, average margins were based on delivered purchase prices reported by 2 retail mass merchandisers.

3/ In the Dallas/Fort Worth area, average margins were based on delivered purchase prices reported by 2 retail mass merchandisers.

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

roses, with average margins ranging from 5 to 31 percent; all nine of the spot price comparisons involved only eastern-grown domestic roses and the imported Colombian roses. In Dallas/Fort Worth, 8 of the 11 spot price comparisons between the domestic and imported Colombian rose products showed underselling by the Colombian roses, with average margins ranging from 18 to 53 percent. Of the eight instances of underselling, one involved eastern-grown domestic roses and seven involved western-grown domestic roses. The average margin in the single instance of underselling involving eastern-grown domestic roses was 18 percent, and average margins in the seven instances of underselling involving western-grown domestic roses ranged from 22 to 53 percent.

<u>Appreciation of the U.S. dollar</u>.--Table 28 presents indexes of producer prices in the United States and Colombia and indexes of the nominal and real exchange rates between the U.S. dollar and the Colombian peso, by quarters, from January-March 1981 (the base period) through January-March 1984. As shown in table 28, the dollar appreciated in nominal terms by approximately 77 percent against the peso since the base period. Because of Colombia's rapid rate of inflation (83 percent) during that period, however, the dollar appreciated in real terms against the peso by only 5 percent since the base period. Appreciation of the U.S. dollar (all other factors remaining unchanged) makes foreign products more competitive in the U.S. market vis-a-vis domestic products. $\underline{1}/$

1/ A recent study of the U.S. International Trade Commission found that although changes in exchange rates influence trade, other factors including competitors' prices, product demand, and manufacturing costs are often equally important. See <u>The Effect of Changes in the Value of the U.S. Dollar on Trade</u> <u>in Selected Commodities, Investigation No. 332-150</u>, . . . , USITC Publication No. 1423, August 1983.

Table 28.--Indexes of producer prices in the United States and Colombia and indexes of the nominal and real exchange rates between the U.S. dollar and the Colombian peso, by quarters, January 1981-March 1984

Period	United States Producer Price Index	Colombian Producer Price Index	Nominal exchange rate index <u>1</u> /	Real exchange rate index <u>1</u> /
1001		:		
1901: January March	100 0	. 100 0		100 0
January-Harch				100.0
April-June	: 102.4	: 106.2	: 103.1 :	99.4
July-September	: 103.3	: 111.2	: 107.0	99.4
October-December-	: 103.2	: 117.4 :	: 111.6 :	98.1
1982:	•	:	: :	
January-March	: 104.0	: 125.1	: 116.6 ;	96.9
April-June	: 104.2	: 133.7	: 121.2 ;	94.5
July-September	: 104.8	: 140.4	: 126.0 :	94.1
October-December-	: 104.8	: 147.5	: 132.3 :	94.0
1983:	:	:	:	
January-March	: 104.9	: 154.3	: 139.6 :	94.9
April-June	: 105.2	: 165.9	: 147.7	93.7
July-September	: 106.3	: 170.2	: 156.5	97.7
October-December-	: 106.7	: 175.0	: 166.5 :	101.5
1984: January-		:	:	
March	: 108.0	: 183.0	177.3	104.6

(January-March 1981=100)

1/ Based on exchange rates expressed in pesos per U.S. dollar.

Source: International Monetary Fund, International Financial Statistics.

<u>Transportation costs</u>.--The Commission requested that domestic rose growers and importers of Colombian roses report, during, 1983-84, the freight costs for shipping their roses to customers in five major cities in the Eastern United States--Atlanta, Boston, Chicago, New York, and Philadelphia--and two major cities in the Western United States--Dallas/Fort Worth, and Los Angeles. For each of these cities that they served, domestic rose growers and the importers were requested to identify the general mode of transportation, provide the freight costs per box of roses shipped, and specify the typical number of blooms per box. $\underline{1}$ / The reported freight-cost data are shown by customer city locations in the Eastern and Western United States in tables 29 and 30, respectively.

To Eastern-city customers, the Western rose growers (including California) reported shipping their roses primarily by airplane, whereas Eastern growers and the importers reported shipping their roses primarily by truck (table 29). 2/ Freight costs for shipping roses to their customers in the five major Eastern cities were generally the highest for California growers, lower for other Western growers (Colorado and Utah), and the lowest for the Eastern growers and the importers, whose reported costs were comparable (table 29). For truck delivery, the California growers reported average freight costs ranging, across cities, from 3 to 5 cents per bloom, the Eastern growers reported average freight costs ranging from 1 to 3 cents per bloom, 3/ and the importers reported average freight costs of 2 cents per bloom to each city; the other Western growers did not cite any shipments by truck. For airplane delivery, the California growers reported average freight costs ranging, across cities, from 5 to 6 cents per bloom, the other Western growers reported average freight costs from 3 to 5 cents per bloom, the responding Eastern growers reported average freight costs from 1 to 3 cents per bloom, and the importers reported average freight costs ranging from 2 to 3 cents per bloom.

1/ Eighteen U.S. rose growers and 13 importers of the Colombian roses reported the freight-cost data but not necessarily for every city requested. Thirteen of the reporting domestic rose growers were located in California and one each in Colorado, Utah, New Hampshire, North Carolina, and Pennsylvania. All 13 reporting importers were located in the Miami, Florida area.

2/ Western rose growers generally reported shipping an average of 600 blooms per box and Eastern rose growers an average of 500 blooms per box; whereas the importers reported shipping an average of 300 blooms per box. Shorter stems and more sweetheart roses, believed to be shipped by the domestic growers compared to the importers, may explain at least partially the greater number of blooms per box reported by the domestic growers compared with the number reported by the importers.

3/ For customers in Eastern cities other than those requested, eight Eastern rose growers reported shipping their roses at an average freight cost of approximately 2 cents per bloom; these growers generally stated that such costs were not charged to their customers. Four other Eastern rose growers, who reported selling primarily to local accounts but did not provide any freight cost estimates, also stated that they shipped roses to their customers without charging them freight. These twelve domestic growers shipped their roses primarily in their company vehicles.

City area served and :	Dollars	/bloom :	Number responding		
supplier :	Truck	Airplane	Truck	Airplane	
		:		:	
Atlanta: :	:	:		:	
California growers:	\$0.03 :	\$0.06 :	5	: 6	
Other western growers:	- :	.05 :	0	: 2	
Eastern growers <u>3</u> /:	.03 :	- :	1	: 0	
Importers <u>4</u> /:	.02 :	.02 :	13	: 1	
Boston: :	:	•		:	
California growers:	.04 :	.06 :	2	: 7	
Other western growers:	- :	.04 :	0	: 2	
Eastern growers <u>3</u> /:	.01 :	- :	1	: 0	
Importers 4/:	.02 :	.03 :	11	: 3	
Chicago: :	:	:		:	
California growers:	.03 :	.05 :	5	: 5	
Other western growers:	· – :	.03 :	0	: 2	
Eastern growers 3/:	.02 :	.03 :	1	: 1	
Importers 4/:	.02 :	.02 :	12	: 1	
New York:	:	:		:	
California growers:	.05 :	.06 :	1	: 10	
Other western growers:	- :	.04 :	0	: 2	
Eastern growers 3/:	.02 :	.01 :	1	: 1	
Importers 4/	.02 :	.02 :	12	: 2	
Philadelphia:	:			: -	
California growers:	.05 :	. 06 :	2	: 6	
Other western growers		.04 :	0	: 2	
Factorn growers 3/	_ •		Ő	· ·	
Tmporters 4/	.02	.02 •	12	·	
Tubor corp T				• •	

Table 29.--Freight costs for domestic and imported Colombian roses shipped to customers in five specified city areas in the Eastern United States, <u>1</u>/ by mode of transportation, and by regional location of suppliers, 1983/84 <u>2</u>/

1/ The Eastern United States generally refers to the continental U.S. East of the Mississippi river, plus Puerto Rico.

2/ Domestic rose growers and importers of Colombian roses were requested to provide freight costs to their customers in seven specified U.S. city areas.

3/ Eastern rose growers generally reported selling their roses to local accounts and using their company vehicles for delivery. In many instances these growers did not provide any transportation cost figures, but stated that such costs were generally not charged to the customers.

4/ All responding importers were located in the Miami, FL area.

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

To customers in Dallas/Fort Worth, the Western rose growers (including California) reported shipping their roses primarily by airplane, but the importers reported shipping their roses primarily by truck (table 30). To customers in Los Angeles, however, California rose growers reported shipping their roses exclusively by truck, whereas the single responding "other Western" grower (in Colorado) and the importers reported shipping their roses exclusively by airplane. Eastern rose growers did not report any data on freight costs to Dallas/Fort Worth and Los Angeles. Freight costs for shipping roses to customers in Dallas/Fort Worth generally showed the same relationship among the respondents as the reported freight costs to the Eastern-city customers(table 30). To customers in Los Angeles, however, the California growers reported the lowest freight costs, the other Western growers (Colorado and Utah) somewhat higher costs, and the importers reported the highest freight costs (table 30).

Lost sales

Domestic rose growers provided 55 allegations of lost sales. These allegations covered instances involving both eastern and western growers and included instances of single lost sales, aggregated lost sales, and lost accounts. In the aggregate, these lost sale allegations are estimated at roughly 138,800 blooms. Four allegations did not specify any quantities or values, and three allegations did not specify the quantity but provided the value of the lost sale or lost account; these latter three instances totaled \$303,000. The Commission's staff investigated 33 allegations, amounting to approximately 95,000 blooms. Six firms cited could not be reached.

* * *, in a lost sale (aggregate) valued at * * * in 1984; no quantity was specified. * * *, buyer, confirmed buying Colombian roses. She noted, however, that the firm dropped one California grower but picked up another as a source, so the share of * * * total purchases supplied by domestic growers remained approximately the same (about two-thirds) . Since January 1983, * * * has purchased about one-third of her supply from Colombia. Currently, she is paying more for Colombian long stem roses (37, cents) than for California roses (33 cents) of the same stem length. In terms of quantity, the firm buys * * * blooms per week during the regular season but needs * * * at a time for special occasions such as Valentine's Day. Of these, * * * would be California roses. The dependability of the California growers is a plus, so the bulk of the business goes to them. On occasion, the firm buys a spot order of eastern roses because of lower freight and quick direct shipment. As for the Colombian roses, * * * buys from one importer (on year-round sourcing) and pays a little more, but "gets dependable supply when you need it."

* * *, in an allegation of lost sales (aggregate) amounting to * * * in 1982. * *, manager of the division, acknowledged buying Colombian long-stem roses, but only in an "insignificant" quantity, * * * roses each week. This standing order at a year-round delivered price of 43 cents per bloom is to serve the request of a single * * * store outlet. At the time of the alleged lost sale (1982), * * * filled his peak season extra supply needs (February and May) by a contract for * * *

Table 30.--Freight costs for domestic and imported Colombian roses shipped to customers in two specified city areas in the Western United States, <u>1</u>/ by mode of transportation, and by regional location of suppliers, 1983/84 <u>2</u>/

City area served	Dollars/bloom			Number responding			
and supplier :	Truck	Airplane	:	Truck	:	Airplane	
	:		:		:		
Dallas/Fort Worth: :	:		:		:		
California growers:	\$0.03 :	\$0.06	:	6	:	10	
Other Western growers:	- :	.03	:	Ò	:	2	
Importers 3/:	.02 :	.02	:	8	:	2	
Los Angeles: :	:		:		:		
California growers:	.01 :	-	:	8	:	0	
Other Western growers:	- ´ :	.03	:	0	:	1	
Importers <u>3</u> /:	- :	.04	:	. 0	. :	4	
· · · · · · · · · · · · · · · · · · ·			:		:		

1/ The Western United States generally refers to the continental U.S. West of the Mississippi river, plus Alaska and Hawaii.

 $\underline{2}$ / Domestic rose growers and importers of Colombian roses were requested to provide freight costs to their customers in seven specified U.S. city areas. $\underline{3}$ / All responding importers were located in the Miami, FL area.

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

Note.--Eastern rose growers did not report any data on freight costs to Dallas/Fort Worth or Los Angeles.

long-stem red roses per week from the Netherlands. Since then, he has sourced all his purchases from three California growers. Since 1983, these growers have been able to supply the extra peak-season surge in demand from * * *. The firm has standing orders for California roses at the following seasonal price levels and quantities:

	Delivered	
Season	price	Quantity
	(<u>per bloom</u>)	(<u>blooms per week</u>)
June-September	- \$0.35	***
October-November	41	***
December-January	– . 47 [·]	***
February-May	53	***
Valentine's Day 1/	- 1.27	***
Mother's Day 1/	- 1.27	***

1/ Special weekly shipments.

These California roses are of mixed varieties and various colors, but largely red, in the regular weekly shipments. For the special shipments, they are all long stem reds. Regular shipments are 22"-26" and over in stem length. For special holiday shipments, the stem length drops to 18"-22" at the same time that the price skyrockets. * * * does not plan to increase his purchases of Colombian roses.

Another instance from * * *, as an account in which the California grower allegedly lost orders valued at * * * in 1983. The quantity involved was not specified. * * *, affirmed that she did buy Colombian Visa roses at that time and had done so only once or twice. Most of * * * roses are sourced from a single California grower. The Colombian roses were purchased to supplement supply in wedding months and special days (e.g., Valentine's Day). * * *stated that she also uses California growers other than her prime source to assure an adequate supply. As for quality, the Colombian long-stem rose is as good as the domestic rose, bigger, but not as tight, with a higher petal count. At the time when * * * purchased the Colombian long-stem roses, they were cheaper than the California roses. Domestic roses were at premium prices because of holiday demand. Although * * * couldn't quote specific prices because it was too long ago, she emphasized that "the Colombian price was good," in comparison with the premium priced domestic long-stem rose.

* * sets its own prices based on "market price." This price is based on the New York market. As for buying Colombian roses on a spot basis, * * * would choose the imported rose only if it could be delivered in time to meet an urgent need. She noted that you can get California roses overnight, but that Colombian roses are only shipped twice a week out of Miami.

* * * in a specific lost sale allegation involving * * * blooms in two instances in May 1984. * * *, buyer, explained that the * * *. * * * confirmed purchasing Colombian long-stem roses. He buys the imported roses through Miami importers, but only at holiday times when domestic supply is scarce. Although he is a spot buyer of Colombian roses, * * * has a standing order for Mexican roses and also for * * * California long stems per week from a single grower. He never buys from eastern growers, but does buy spot orders of Colorado long-stem roses to fill in supply. Colombian roses account for less than 10 percent of * * * annual supply.

As for prices, * * *, stated that Colombian roses are about the same price as western roses on Mother's Day or Valentine's Day. Freight is less, however, from Florida--2 to 3 cents per stem--than from California. At times of heavy domestic cuttings, Colombia roses are priced above California long-stem roses. Concerning quality, he noted that the domestic roses are more consistent in top quality, e.g., freshness (because they are received on time), and domestic growers send what was ordered. The imported sources are not as dependable.

Colombian long-stem roses come in mixed stem lengths and at holiday times, * * * stated, you won't get all red Visas, but will get some other colors and varieties, e.g., Sonya and yellow long stems. Regardless of stem length, the imported roses are the same price to * * *, but upon arrival they are resorted to 18"-22", 22"-26", and 26" and over in stem length. Then the imported roses in each of the three stem lengths is priced according to the selling price of domestic roses of comparable stem lengths. There is a 2 to 3 cents difference between each length in the prices * * * pays for domestic roses.

Currently, * * * is paying 24 to 26 cents for long-stem California roses (22"-26" and 26" and over) from one source, but another California grower is charging 26 to 32 cents for long stems. According to * * * buyer, there hasn't been heavy California rose production this year. His traditional source cannot supply in adequate volume. Consequently, he is ordering more frequently and from several sources. * * * believes the California growers all cut back during the past several months to ensure big fall production.

* **, as an alleged lost account totaling * * * roses, valued at * **, in February 1982. The buyer at * * * denied the allegation. She has not bought any Colombian roses to her knowledge. She has switched sources from * * *. She is paying an average of 65 cents per stem for 18"-22" stem length roses in the regular seasons and from 85 to 95 cents per stem for holiday orders. * * * resale price is between \$27 and \$30 per dozen. Occasionally, the firm may buy small quantities of western long-stem roses.

Another alleged lost sale submitted by * * *, as a lost account in July 1983; the account amounted to * * * blooms per week, valued at * * * * * *, buyer for the firm, acknowledged purchasing spot orders of Colombian roses at peak selling times for "fill in." Overall, Colombian roses totaled 40 percent of the volume of her purchases. She depends on four local wholesalers that offer Colombian roses, but only one has Colombian roses of acceptable quality. Colombian roses come in mixed stem lengths at the same price, currently 50 cents per stem (delivered), compared with 30 cents per stem for domestic roses from Kentucky. * * * is moving to a standing order for California long stems to ensure dependable supply, and doubts that she will spot purchase an increased quantity of Colombia roses--only "fill-ins." At holiday times such as Mother's Day, this buyer paid 50 cents per stem for Colombian long-stem roses, compared with \$1 per stem for California long stems.

* * *, as an alleged lost sale for * * * blooms per week during April, May, and June of 1984. * * *, buyer, confirmed buying Colombian roses. * * * is buying an average of * * * blooms per week on a regular basis and * * *blooms per week at holiday peak demand periods. Currently, the Colombian flow is * * * blooms per week. * * * also buys western-grown long-stem roses. The California rose is now 26 to 28 cents per stem (but its stem is "not that long"), compared with 32 cents per stem for Colombian roses, the only ones now available with a premium length stem. According to * * *, the quality of the Colombia rose is inferior, but it is "coming up" as a result of using U.S. agricultural university know-how. * * * is buying Colombian roses because retailers are requesting them for price and premium stem length. * * * also buys California roses, but he said that Mexican roses are entering the Southwest market at low prices the California growers can't meet. He stated that the Mexican roses are "coming on strong" and will take a large part of Colombia's share in coming months. He estimated that the Colombian roses have 60 percent of the Southwest market now. The California growers are caught between the Colombian and Mexican growers as they fight for market share. According to * * *, a firm importing Mexican roses, is selling them to retailers at prices cheaper than * * * can buy roses directly from Colombian growers. The Colombian price is 26 cents per stem (for 26" and up stem lengths) plus 6 cents freight, compared with a 30 cents per stem delivered price to retailers for Mexican roses of similar stem length. During holiday periods, Colombian roses (mixed stem lengths) were priced at 49 cents per stem laid in to the wholesaler, compared with a price of 40 cents (delivered) to retailers for Mexican roses. * * * emphasized that these prices are available to small retail accounts.

* * wholesaler, as an alleged lost contract sale for * * * blooms per week in April, May, and June of 1984. * * *, buyer, affirmed the purchases of Colombian roses. He buys imported mixed stem length roses on a volume commitment at a year-round price of 40 cents per stem and contracts for * * * blooms per week. Freight adds 4 cents per stem to his cost. * * * also buys California roses at about the same, or lower, price, but the quality of the California product is not as good. The Colombian quality is excellent. On a year-round basis, the California roses are 10 to 12 cents per stem cheaper. Sixty percent of his supply comes from California growers. Again, this is on a contract basis, for a total of * * * blooms per week sourced from two growers. The ratio of Colombian roses to total purchases has stayed about the same in the past 2 years. This buyer also noted increased retailer demand for the imported roses.

Another allegation by * * *, as a lost sale for * * * blooms per week during two weeks in May 1984. * * *, buyer, does buy Colombia roses occasionally, but only when the importers offer "fantastic deals." The volume amounts to 10 percent of the firm's purchases of roses on an annual basis. * * * purchases California roses for the balance of his requirements, sourcing from four growers to ensure dependable supply. The firm contracts for * * * to * * * roses twice a week in total. Rose sales are a little depressed now, as reflected in prices. California long-stem roses (26" Caramia) are currently 24 to 30 cents per stem plus 4 cents freight. When Colombian roses are in strong supply they are priced 40 percent below the domestic price, and their quality is as good or better than that of domestic roses. In summary, * * * says that when domestic growers face the summer supply and post-holiday season demand level, then Colombian rose prices depress domestic prices. A sore point with this buyer is the fact that Colombian rose importers "ship a lot of roses direct to retailers and at low prices." California growers do not do this as much. says * * *.

* * * as an alleged lost contract in April, May, and June of 1984 involving * * * blooms per week. * * * denied the allegation. He acknowledged receiving trial shipments several years ago but not since then. In his opinion, the allegation is the result of intra-California grower competition, specifically * * *. * * * depends on several California growers to guarantee his supply. Shipments come within 36 to 48 hours, are dependable even in holiday times, and he seldom gets a bad lot. Prices vary with stem length. Currently, 18"-24" western roses are 30 to 32 cents per stem; over 24" roses are 2 to 3 cents per stem more. At Valentine's Day these roses would cost him \$1 per bloom.

* **, as a lost account for * * * blooms per week beginning in August 1983. * * *, an executive of the firm, confirmed switching to Colombian red roses for 75 percent of total supply. The reason was quality. Domestic quality had become increasingly poor over several years. Colombian quality is "tops," said * * *, and at reasonable prices. Shelf life for eastern domestic roses was very poor. Now, the firm buys from three importers to be certain of availability. As for prices, the Colombian long-stem roses (over 18") during January-June 1984 ranged from a low of 35 cents per stem delivered to a holiday high of \$1.15 per stem, whereas the domestic price (eastern and western) ranged from a low of 40 cents per stem to a peak demand high of \$1.10 per stem. Colombian roses do depress the price of domestic roses in times of strong supply. Quality, however, is * * * primary consideration in his purchase of primarily Colombian long-stem red roses.

This same grower named * * *, in another alleged lost account for * * * blooms per week beginning in February 1984. * * * confirmed purchasing Colombian red roses. Formerly the firm bought Eastern roses. Now, * * * has a standing order for long-stem Colombian roses at a delivered price of 45 cents per stem for the summer and fall. The price changes in November to 50 cents per stem. California prices follow a supply and demand pattern, but at

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a given time are 5 to 20 cents per bloom higher than Colombian roses of the same stem length. Eastern growers try to keep their prices at a certain level rather than responding to supply and demand. In contrast, during the first week of August, Colombian prices dropped 8 to 10 cents per stem for spot orders because of increased supply. Because of the lower price of the Colombian rose and its dependable supply, plus retail florist customer preference for the larger bud, longer stem Colombian rose, * * * now buys almost exclusively Colombian roses, with some sweetheart roses from California and some domestic Samanthas as a courtesy for those growers supplying him with shipments of sweetheart roses. * * * emphasized that, although he sources from three importers, they collude on price and only compete against each other when there is a supply overhang to dispose of.

* * * as a lost account beginning in August 1983, which amounted to * * * long-stem red roses per week. * * *, buyer for the firm, acknowledged buying primarily Colombian roses. The firm has been sourcing almost 100 percent of its roses from Colombia, but it is moving to some California long-stem reds (* * * per week). Colombian rose prices are from 38 to 45 cents per bloom, and * * * can obtain California roses at the same prices. However, talks with other wholesalers indicate "caution on California roses." They "won't sell as good," he is advised. * * * says that shelf life is better on Colombian roses and quality (head size and petals) is pleasing to his customers. The only thing helping domestic growers is their supply of colors other than red. No domestic source can fill demand for peak days like Valentine's Day, but domestic growers have adequate supply at other times. * * * sees dependable supply as another paramount consideration so he buys from six importers and obtains different price quotes at a given time from each. Price, although important, is not the main consideration; quality and availability are more important to this wholesaler. * * * sees the Visa rose as better than the California rose, and he will continue to source primarily from Colombia.

* * * in a lost sale during September 1983, of approximately * * * hybrid tea and sweetheart roses. The buyer for the firm reported purchasing the imported Colombian roses instead of domestic roses because of better quality. The buyer also stated that imported Colombian roses are generally about 5 cents per stem cheaper than domestic roses.

Lost revenue

The Commission's staff investigated 16 specific instances of reported lost revenue. Because of the frequency of purchases and lack of recording price quotations other than those actually transacted, only a few instances of alleged lost revenue were verified. However, some of the purchasers could identify the transactions causing alleged lost revenue as plausible and/or likely. All of the purchasers contacted contributed some information regarding price and quality of the domestic and imported Colombian roses.

* * *, verified one instance of alleged lost revenue, amounting to * * *
in 1984. * * * buyer for the firm, stated that * * * reduced its price as a
result of competition from Colombian growers. According to * * *, there is
typically a 40 cents per dozen price advantage in the imported over the
domestic roses. This price differential has been about the same since 1982.
* * * has increased his purchases of imported roses from none in 1982 to
20 percent of his total purchases in 1983 and 35 percent in 1984. Because
domestic roses are higher in quality, however, he doesn't plan on abandoning
the domestic market. According to * * *, domestic roses are of superior
quality because they are less brittle and last longer.

* * *, accounted for one instance of alleged lost revenue, amounting to * * * in 1983. * * * suggested, however, that the alleged Colombian quote he gave to his supplier, * * *, may have been fictitious and was merely an invention for authoritative bargaining. According to * * *, there is little price difference between imported and domestic roses. There is considerable price volatility in the market, but he feels that the imported roses typically are priced about 5 cents per stem lower than the domestic roses. However, because of inferior quality of the imported Colombian roses, * * purchases about 99 percent of his roses from suppliers of domestic roses. Colombian roses have brittle stems, causing the heads to pop off, and they also are frequently shipped improperly.

* * *, accounted for one instance of alleged lost revenue, amounting to * * * in March 1984. Since 1982, * * * has purchased about 66 percent of its roses from Colombia. On March 10, 1984, * * * in California offered to sell * * * blooms to * * * at 34 cents per bloom. * * * responded that it could buy the same quantity of roses from Colombia at 12 cents per bloom. * * * finally made the sale after lowering the price to 14 cents per bloom. According to * * *, the price differential between imported and domestic roses varies considerably, both in direction and magnitude.

* **, was unable to give definite verification of an alleged lost revenue amounting to * * *. * * * stated that both the price and quality differentials between domestic and imported roses vary. The imported roses tend to be inferior in quality because of the size of the head and the strength and length of the stem. Similarly, imported roses tend to be cheaper than domestic roses, but * * * reported that domestic roses were, in fact, currently cheaper than imported roses. * **, has never purchased Colombian roses. According to * * *, the owner, the local roses he buys are much fresher and superior in quality than imported roses. Because the Colombian roses are boxed and experience long shipment, their longevity is substantially less than that of local roses. * * * did state that the price of the imported roses tends to be less than the price of domestic roses, although he never paid too much attention to the imported prices because of quality differences.

* * *, accounted for one instance of alleged lost revenue, amounting to * * * in March 1984. * * *, buyer for the firm, stated that domestic roses are about 20 cents per bloom higher in price than imported roses. Because * * * buys the "cream of the crop" of Colombian roses, he said that, although the quality of a typical Colombian rose is generally inferior to that of a typical domestic rose, the imported roses he purchases are superior in quality. Since 1982, about 20 percent of his purchases are imports, but these occur during periods when he is unable to buy high-quality domestic roses.

* **, was unable to verify any instance of alleged lost revenue. * * *, buyer for the firm, did state that prices of Colombian and domestic roses are about the same. Because he feels that the Colombian roses are inferior in quality, his purchases are 100 percent from domestic sellers.

APPENDIX A

NOTICES OF THE COMMISSION

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INTERNATIONAL TRADE COMMISSION

(Investigation No. 731-TA-148 (Fixed))

Fresh Cut Roses From Calombia

AGENCY: International Trade Commission.

ACTION: Institution of final antidumping investigation and scheduling of a public hearing to be held in connection with the investigation.

EFFECTIVE DATE March 14, 1984.

summary: As a result of an affirmative preliminary determination by the U.S. Department of Commerce that imports of fresh cut roses from Colombia. provided for in item 192.18 of the Tariff Schedules of the United States are being or are likely to be, sold in the United States at less than fair value (LTFV) within the meaning of section 731 of the Tariff Act of 1930 (19 U.S.C. 1673), the United States International Trade Commission hereby gives notice of the institution of investigation No. 731-TA-148 (final) under section 735(b) of the act (19 U.S.C. 167 3d(b)) to determine whether 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 Colombia of such merchandise. The Department of Commerce is scheduled to make its final determination in the case on or before June 27. 1984, and the Commission will make its final injury determination by August 13, 1984.

FOR FURTHER BIFORMATION CONTACT: Mr. Stephen Burket (202-728-0008), Office of Industries, U.S. International Trade Commission.

SUPPLEMENTARY DEFORMATION

Background

On November 7. 1983, the Commission determined, on the basis of the information developed during the course of its preliminary investigation, that there was a reasonable indication that an industry in the United States was materially injured or threatened with material injury by reason of imports of fresh cut roses from Colombia, which were alleged to be sold at less than fair value in the United States. The preliminary investigation was instituted in response to a petition filed on Federal Register / Vol. 49, No. 66 / Wednesday, April 4, 1984 / Notices

September 30, 1983, by counsel for Roses. Inc., an association of rose growers.

Participation in the Investigation

Persons wishing to participate in the investigation as parties must file an entry of appearance with the Secretary to the Commission, as provided in § 201.11 of the Commission's Rules of Practice and Procedure (19 CFR 201.11), not later than 21 days after the publication of this notice in the Federal Register. Any entry of appearance filed after this date will be referred to the Chairman, who shall determine whether to accept the late entry for good cause shown by the person desiring to file the entry.

Upon the expiration of the period for filing entries of appearance, the Secretary shall prepare a service list containing the names and addresses of all persons, or their representatives, who are parties to the investigation, pursuant to § 201.11(d) of the Commission's rules (19 CFR 201.11(d)). Each document filed by a party to this investigation must be served on all other parties to the investigation (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 (19 CFR 201.16(c)).

Staff Report

A public version of the staff report containing preliminary findings of fact in this investigation will be placed in the public record on June 18, 1984, pursuant to § 207.21 of the Commission's rules (19 CFR 207.21).

Hearing

The Commission will hold a hearing in connection with the investigation beginning at 10:00 a.m., on June 28, 1984, at the U.S. International Trade Commission Building, 701 E Street NW., Washington, D.C. 20436. Requests to appear at the hearing should be filed in writing with the Secretary to the Commission not later than the close of business (5:15 p.m.) on June 20, 1984. All persons desiring to appear at the hearing and make oral presentations should file prehearing briefs and attend a prehearing conference to be held at 10:00 a.m., on June 22, 1984, in room 117 of the U.S. International Trade Commission Building. The deadline for filing prehearing briefs is June 22, 1984.

Testimony at the public hearing is governed by § 207.23 of the

Commission's rules (19 CFR § 207.23). This rule requires that testimony be limited to a nonconfidential summary and analysis of material contained in prehearing briefs and to information not available at the time the prehearing brief was submitted. All legal arguments, economic analyses, and factual materials relevant to the public hearing should be included in prehearing briefs in accordance with § 207.22 (19 CFR 207.22). Posthearing briefs must conform with the provisions of § 207.24 (19 CFR 207.24) and must be submitted not later than the close of business on July 9, 1984.

Written Submissions

As mentioned, parties to this investigation may file prehearing and posthearing briefs by the dates shown above. In addition, any person who had not entered an appearance as a party to the investigation may submit a written statement of information pertinent to the subject of the investigation on or before July 9, 1984. A signed original and fourteen (14) true copies of each submission must be filed with the Secretary to the Commission in accordance with § 201.8 of the Commission's 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 shall 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).

For further information concerning the conduct of the investigation, hearing procedures, and rules of general application, consult the Commission's Rules of Practice and Procedure, part 207, subpart A and C (19 CFR Part 207), and part 201, subparts A through E (19 CFR Part 201).

This notice is published pursuant to § 207.20 of the Commission's rule (19 CFR 207.20).

By order of the Commission.

Issued: March 28, 1984. Kenneth R. Mason, Secretary. (PP Doc. 64-5961 Filed 4-3-84: 6:45 am) BILLING CODE 7020-02-14 13441

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[investigation No. 731-TA-148 (Final)]

Fresh Cut Roses From Colombia

AGENCY: United States International Trade Commission.

ACTION: In conformance with the determination of the International Trade Administration of the Department of Commerce to amend its schedule for the conduct of the referenced investigation. the Commission hereby revises its schedule as follows: The prehearing conference will be held on July 23, 1984; the hearing will be held on July 30, 1984; and the Commission's final determination shall be issued on or before September 10, 1984.

EFFECTIVE DATE: May 25, 1984.

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SUPPLEMENTARY INFORMATION: The Commission instituted this final antidumping investigation effective March 14, 1984, and scheduled a hearing to be held in connection therewith for June 28, 1984 (49 FR 13440, April 4, 1984). However, the Department of Commerce extended its investigation in response to a request from counsel for respondents in its investigation. The effect of the extension was to change the scheduled date for Commerce to make its final determination (already rescheduled from May 22, 1984. to June 27, 1984) from June 27, 1984 to July 27, 1984. Accordingly, the Commission is revising its schedule in the investigation to conform with Commerce's new schedule.

The Commission's hearing, which was to have been held on June 28, 1984, has been rescheduled to begin at 10 a.m. on July 30, 1984, in the Hearing Room, U.S. International Trade Commission Building, 701 E Street NW., Washington. D.C. Requests to appear at the hearing should be filed in writing with the Secretary to the Commission not later than the close of business (5:15 p.m.) on July 19, 1984. All persons desiring to appear at the hearing and make oral presentations should file prehearing briefs and attend a prehearing conference to be held at 10 a.m. on July 23, 1984, in Room 117 of the U.S. International Trade Commission Building. The deadline for filing prehearing briefs is July 26, 1984. A public version of the prehearing staff report containing preliminary findings of fact in this investigation will be placed in the public record on July 16, 1984. The deadline for filing posthearing briefs will be announced at the hearing.

FOR FURTHER INFORMATION CONTACT: Stephen Buret, (202–724–0088), Office of Industries, U.S. International Trade Commisison, Washington, D.C. 20436.

By order of the Commission. Issued: May 25, 1984. Kenneth R. Mason, Secretary. [FR Doc. 64-14667 Filed 5-31-64: 6:45 anı] BILLING CODE 7020-02-64

APPENDIX B

NOTICES OF THE DEPARTMENT OF COMMERCE

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International Trade Administration

[A-301-004]

Fresh Cut Roses From Colombia; Preliminary Determination of Sales at Less Than Fair Value

AGENCY: International Trade Administration, Commerce. ACTION: Notice.

SUMMARY: We preliminarily determine that fresh cut roses from Colombia are being sold, or are likely to be sold, in the United States at less than fair value. Therefore, we have notified the United States Inernational Trade Commission (ITC) of our determination, and we have directed the United States Custome Service to suspend liquidation of all entries of the subject merchandise. We have directed the U.S. Custome Service to require a cash deposit of the posting or a bond for each such entry in an amount equal to the estimated dumping margin as described in the "Suspension of Liquidation" section of this notice. We found that "critical circumstances" do not exist with respect to exports of fresh cut roses from Colombia.

If this investigation proceeds normally, we will make a final determination by May 22, 1984.

EFFECTIVE DATE: March 14, 1984.

FOR FURTHER INFORMATION CONTACT: John Brinkman or Paul Thran, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW.. Washington, D.C. 20230; telephone: (202) 377-4229 or 377-1766.

SUPPLEMENTARY INFORMATION

Preliminary Determination

We preliminarily determine that there is a reasonable basis to believe or suspect that fresh cut roses from Colombia are being sold, or are likely to be sold, in the United States at less than fair value, as provided in section 733 of the Tariff Act of 1930, as amended (19 U.S.C. 1073b) (the Act).

The estimated margins for the products investigated are given in the "Suspension of Liquidation" section of this notice. The estimated margins are

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based on the bast information available as provided for in section 776(b) of the Act (19 U.S.C. 1677(b)), and are explained in the section of this actics which describes our fair value comparisons. These margins could change substantially in the Binal determination if verifiable information is furnished in a timely fashion.

Case History

On September 30, 1983, we received a petition from counsel for Roses Incorporated, the U.S. Commercial Rose Crowers' Trade Association.

In compliance with the filing requirements of sections 353.36 of the Commerce Regulations (19 CFR 353.38), the petition alleged 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 Act (19 U.S.C. 1973)), and that there imports are saterially injuring, or are threatming to meterially injuring, or are threatming to meterially injury, a United States industry. Petitioners also alleged that "critical circumstances" exist in this case.

The allegations of sales at less than fair value, which include an allegation that export sales are being made at less than the cost of production of the merchandise under investigation in Colombia, are supported by comparisons of United States price with the constructed value, as developed by the petitioners from published information.

After reviewing the petition. we determined that it contained sufficient grounds to initiate an antidumping investigation on fresh cut roses. We notified the ITC of our action and initiated the investigation on October 26. 1963 (48 FR 49530). On November 7. 1963, the ITC found that there is a reasonable indication that there is a reasonable indication that imports of fresh cut roses from Colombia are materially injuring, or are threatening to materially injuring, or are threatening to industry.

Petitioners alleged that at least 28 Colombian companies either produce for export, or export, fresh cut roses to the United States. We identified 11 producers whose exports account for at least 60 percent of the dollar volume of exports of fresh cut roses exported to the United States from Colombia. Questionnaires were presented to counsel for Floremerica, S.A.: Flores de los Andes: Flores Monte Verde Lida.: Las Flores Lida : Rosas de Colombia Ltda.: Roselindia Ltda.; Inversiones Penas Blancas: Agricola Benilda; and Ciba-Gaigy an November 30, 1983, and to Rosas Colombianas and the Beall Company on December 20, 1983.

In accordance with our sermal practice, we requested responses within 30 days. At respondents' request, we agreed to allow an additional 17 days for these responses. Again at respondents request, we granted a further 3-day extension.

At the conclusion of the above 30 days. on January 20, respondents submitted the responses which included confidential information. Section 383.26(a) specifically requires that all requests for confidential trestment be accompanied by either.(1) a summary that may be disclosed to the public and that is full and descriptive of the confidential information; or (2) a statement by the person submitting the information that the information is not susceptible to such a summary, accompanied by a full statement of the reasons supporting this conclusion; or (3) an agreement to permit disclosure under protective order, accompanied by a brief non-confidential statement describing the data submitted. The lanuary 20 responses did not comply with any of these alternative requirements.

On January 20 we orally informed respondents that we would return the response unless they complied with § 353.20(a) by January 20. On January 26 we confirmed this advice in a letter.

On January 31 we advised respondents by telephone that we would not be able to use the information they had provided, unless they complied with \$ 353.28(a) by the close-of-business that day. Respondents submitted summaries of their confidential information, but those summaries were not "full and descriptive"as required. In many instances crucial data were omitted. such as names of producers and elements of costs, rendering the summaries meaningless. In view of their inadequacy and respondents' failure otherwise to comply with section 353.28(a), we returned the January 20 responses and are instead using the best information evailable, in accordance with section 778 of the Act (19 U.S.C. 1677e).

Scope of Investigation

The merchandise covered by this investigation consists of hybrid tea roses, intermediate roses, and sweetheart roses, currently provided for under item numbers 192,1810 and 192,1890 of the Tariff Schedules of the United States, Associated (TSUSA)

This investigation covers the period from October 1. 1962 to September 30, 1983.

Fair Value Comparison

To determine whether sales of the subject merchandise in the United States were made at less than fair value. we compared the United States price to the foreign market value, which was based on the constructed value of products in Colombia.

The best information available for calculating the United States price was derived from the petition and from U.S. Department of Commerce import statistics.

The petition presents four examples of transaction prices for roses from Colombia in the U.S. market. Where appropriate, petitioners adjusted the transaction prices by deducting commissions, freight and import duties to arrive at a Louis Colombia price. In analyzing these transaction prices, the Department determined that one price should not be used in this determination as it could be considered a restrictive sale. Additionally, based on the best information evailable to the Department, we reduced the commission raise used by the petitioners. The three remaining adjusted transaction prices were averaged to obtain a single transaction arice.

We used the U.S. Department of Commerce import statistics to obtain a weighted-average La.a. origin price for all roses imported into the United States from Colombia for the period October 1, 1962 through September 30, 1963. We obtained the resultant United States price by taking a simple average of the single transaction price plus the weighted-average f.a.s. origin price obtained from the import statistics.

Foreign Market Value

The best information available for determining foreign market value is contained in the petition presented by Roses, Inc. The information presented indicates that the fresh cut roses sold in the Colombian home market are considered calls, weste and work flowers, which cannot be considered such or similar merchandise to the roses exported to the United States. Furthermore, the petition alleges th both the fresh cut some sold in the hos market and for expert to third countries are sold at prices below the cost of production, and thus, are inappropriate bases for determining foreign market value under section 773(b) of the Act (19 U.S.C. 10776

When exies in the home market or to third countries are determined to be inadequate bases for determining foreign market value, we are required by

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section 772(b) of the Act to use the constructed value of the product to determine the foreign market value. In this instance the best information available for determining foreign market value would be from the cost of production data presented in the petition. Petitioners developed a cost of production for a hybrid tea rose, which accounts for the majority of roses exported to the United States from Colombia, from a market research report allegedly based on information gathered by petitioners on Colombian rose growers. The constructed value used to represent foreign market value was based on the actual cost of production information alleged in the petition, plus a statutorily mandated addition of 6 percent for profit.

Negative Determination of Critical Circumstances

Counsel for petitioner alleged that - imports of fresh cut roses from Colombia present "critical circumstances." Under section 733(e)(1) of the Act (19 U.S.C. 1673b(e)(1)). critical circumstances exist when the Department has a reasonable basis to believe or suspect that: (1)(a) there is a history of dumping in the United States or elsewhere of the merchandise under investigation. or (b) the person by whom, or for whose account, the merchandise was imported knew or should have known that the exporter was selling the merchandise under investigation at less than its fair value: and (2) there have been massive imports of the merchandise under investigation over a relatively short period.

In preliminarily determining whether there is a reasonable basis to believe or. suspect that there have been massive imports over a relatively short period. we considered the following factors: recent trends in import penetration levels; whether imports have surged recently: whether recent imports are significantly above the average calculated over the last several years (1981-1983): and whether the patterns of imports over the three-year period may be explained by seasonal swings. Based upon our analysis of the information, we preliminarily determine that imports of the products covered by this investigation do not appear massive over a relatively short period (September through December 1983).

For the reasons described above, we preliminarily determine that critical circumstances do not exist with respect to fresh cut roses from Columbia.

Verification

In accordance with section 776(a) of the Act. we will verify all data used in

reaching a final determination in this investigation.

Suspension of Liquidation

In accordance with section 733(d) of the Act, we are directing the United States Customs Service to suspend liquidation of all entries of cat roses from Colombie which are entered, or withdrawn from warehouse, for consumption, an or after the date of publication of this notice in the Fede Register. The Customs Service shall require a cash deposit or the posting of a bond equal to the estimated weightedaverage margin amount by which the foreign market value of the merchandise subject to this investigation exceeds the United States price. The suspension of liquidation will remain in effect until further notice. The weighted-average margin is as follows:

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Al Manufacturer/Producers/Esponses	80.1

ITC Notification

In accordance with section 733(f) of the Act. we will notify the ITC of our determination. In addition, we are making available to the ITC all nonprivileged and non-confidential information relating to this investigation. We will allow the ITC access to all privileged and confidential information in our files, provided the ITC 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. The ITC will determine whether these imports are materially. injuring or threatening to materially injure a U.S. industry, before the later of 120 days after the Department made its preliminary affirmative determination or 45 days after the Department makes a final affirmative determination.

Public Comment

In accordance with § 353.47 of the Commerce Department Regulations. if requested, we will hold a public hearing to afford interested parties an opportunity to comment on this preliminary determination at 10 a.m. on March 30, 1984, at the United States Department of Commerce. Room 4630, 14th Street and Constitution Avenue, NW., Washington, D.C. 20230. Individuals who wish to participate in the hearing must submit a request to the Deputy Assistant Secretary for Import Administration, Room 3099B, at the above address within 10 days of this notice's publication. Requests should contain: (1) The Party's name, address. and telephone number; (2) the number of participants: (3) the reason for attending: and (4) a list of the issues to be discussed. In addition, prehearing briefs in at least 10 copies must be submitted to the Deputy Assistant Secretary by March 23, 1994. Oral presentations will be limited to issues raised in the briefs. All written views should be filed in accordance with 19 CFR 353.46, within 30 days of this notice's publication, at the above address and in at least 10 copies.

This determination is being published pursuant to section 733(f) of the Act [19 U.S.C. 1073(b)].

March 8, 1984.

Alan F. Holmer,

Deputy Assistant Secretary for Import Administration.

(PR Dor. 24-4883 Plast 3-13-64 9:45 am)

BILLING CODE 3510-DB-M
Federal Register / Vol. 49, No. 65 / Tuesday, April 3, 1984 / Notices

International Trade Administration

[A-301-004]

Fresh Cut Roses From Colombia: Postponement of Final Antidumping Duty Determination

AGENCY: International Trade Administration, Commerce.

ACTION: Notice.

SUMMARY: This notice informs the public that the Department of Commerce (the Department) has received a request from counsel for respondents in this investigation that the final determination be postponed, as provided for in section 735(a)(2)(A) of the Tariff Act of 1930, as amended (the Act) 19 U.S.C. 1673d(a)(2)(A)): and, that we have determined to postpone our final determination as to whether sales of fresh cut roses from Colombia have

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occurred at less than fair value, until not later than July 27, 1984.

EFFECTIVE DATE: April 3, 1984.

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FOR FURTHER DEFORMATION CONTACT: John Brinkmann or Paul Thran, Office of Investigations, Import Administration, International Trade Administration, United States Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone: (202) 377–4929 or 377–3983.

SUPPLEMENTARY INFORMATION: On October 28, 1983, the Department of Commerce published notice in the Federal Register (48 FR 49530) that it was initiating under section 732(b) of the Act (19 U.S.C. 1673(b)), an antidumping investigation to determine whether fresh cut roses from Colombia were being, or were likely to be, sold at less than fair value. On March 14, 1984, we published a preliminary determination of sales at less than fair value with respect to this merchandise (49 FR 9597). The notice stated that if this investigation proceeded normally we would make our final determination by May 22, 1984.

On March 13 and March 28, 1984. counsel for respondents in this case requested that we extend the period for the final determination until July 27, 1984, 135 days after the date of publication of the preliminary determination, in accordance with section 735(a)(2)(A) of the Act. Section 735(a)(2(A) of the Act provides that the Department may postpone its final determination concerning sales at less than fair value until not later than 135 days after the date on which it publishes notice of its preliminary determination if the exporters who account for a significant proportion of the merchandise request an extension after an affirmative preliminary determination. Accordingly, we will issue a final determination in this case not later than July 27. 1984.

The date for the public hearing originally scheduled for March 30 is being changed. If requested, we will hold a public hearing on April 5, 1984, at 10:00 a.m. in room 45:00, Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington D.C. 20230. This notice is published pursuant to section 735(b) of the Act.

Dated: March 28, 1984. Alan F. Holmer,

Deputy Assistant Secretary for Import Administration.

(FR Doc. 64-6819 511ed 4-3-64: 8:45 am) 811_100_CODE 3510-05-4 Federal Register / Vol. 49, No. 149 / Wednesday, August 1, 1984 / Notices

International Trade Administration

[A-301-004]

Fresh Cut Roses From Colombia; Final Determination of Sales at Less Than Fair Value

AGENCY: International Trade Administration/Import Administration, Commerce.

ACTION: Notice.

SUMMARY: We have determined that fresh cut roses (roses) from Colombia are being, or are likely to be, sold in the United States at less than fair value. We have notified the U.S. International Trade Commission (ITC) of our determination, and the ITC will determine, within 45 days of publication of this notice, whether a U.S. industry is materially injured, or is threatened with material injury, by imports of this merchandise. For ten of the eleven firms investigated, we have directed the U.S. Customs Service to continue to suspend the liquidation of all entries of the subject merchandise which are entered. or withdrawn from warehouse, for consumption, on or after the date of publication of this notice and to require a cash deposit or bond for each such entry in an amount equal to the estimated dumping margin as described in the "Suspension of Liquidation" section of this notice. We have determined that one producer should be excluded from this determination. Those firms that are subject to suspension of liquidation and the firm excluded from this action are indicated in the "Suspension of Liquidation" section.

EFFECTIVE DATE: August 1, 1984.

FOR FURTHER INFORMATION CONTACT: John R. Brinkman or Paul Thran, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone: (202) 377-5497.

SUPPLEMENTARY INFORMATION:

Final Determination

We have determined that fresh cut roses from Colombia are being, or are likely to be, sold in the United States at less than fair value, as provided in section 735 of the Tariff Act of 1930, as amended (19 U.S.C. 1673d) (the Act) and that "critical circumstances" do not exist with respect to exports of fresh cut roses from Colombia. We have found de minimis margins for sales of roses produced by one of the firms investigated. The firm concerned is identified in the "Suspension of Liquidation" section of this notice.

We have found that the foreign market value of roses exceeded the United States price on 16.8 percent of the sales we compared. These margins ranged from 0.00 percent to 6.61 percent. The overall weighted-average margin on all roses sales compared is 2.86 percent. The weighted-average margins for individual companies investigated are presented in the "Suspension of Liquidation" section.

Case History

On September 30, 1983, we received a petition filed by counsel for Roses Inc., the U.S. commercial rose growers' association. In compliance with the filing requirements of § 353.36 of our regulations (19 CFR 353.36), the petitioners alleged 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 Act, and that such imports materially injure, or threaten material injury to, a United States industry. The petition also alleged that "critical circumstances" exist with respect to exports of fresh cut roses from Colombia.

After reviewing the petition, we determined that it contained sufficient grounds upon which to initiate an antidumping investigation. We notified the ITC of our action and initiated such an investigation on October 28, 1983 (48 FR 49530). The ITC found, on November 7, 1983, that there is a reasonable indication that imports of roses materially injure, or threaten material injury to, a United States industry.

The petitioners alleged that at least 28 Colombian companies produce the subject roses for export to the United States. However, we identified 11 producers and exporters which account for at least 60 percent of the subject roses sold for export to the United States. We presented questionnaires to counsel for the 11 Colombian rose growers. The companies are: Floramerica S.A.: Flores de los Andes: Flores Monte Verde, Ltda.; Las Flores Ltda.; Rosas de Colombia, Ltda.; Roselandia, Ltda.; Inversiones Penas Blancas; Agrícola Benilda, Ltda; Roses Colombianas, Ltda; Ciba Geigy; and The Beall Company.

The requested responses within 30 days. At respondents' request, we allowed additional extensions of 17 and 3 days. However, the responses when received were not in full compliance with our regulations. Therefore, we used the petition as the best information available to us in making our preliminary determination. We preliminarily found dumping at a rate of 20.2 percent of the f.o.b. value of the imported merchandise (49 FR 9597). We preliminarily determined that "critical circumstances" did not exist.

On March 13, 1984, the respondents requested an extension of our final determination date of May 22, 1984. We granted an extension until July 27, 1984. At the request of the petitioners, we held a hearing on May 5, 1984, to allow the parties an opportunity to address the issues arising in this investigation.

Respondents did, with one exception, finally provide responses in compliance with the regulations. We reviewed these and, as required by law, traveled to Miami and to Bogota, Colombia to verify the correctness of the responses by examining the records of the companies under investigation. The response of one respondent, The Beall Company, did not provide specific U.S. sales information on a transaction-by-transaction basis as requested by our original and supplemental antidumping questionnaires and, therefore, was not verified. Accordingly, we have calculated the estimated dumping margin for The Beall Company based on the best information available to us. This is the highest dumping margin found among the other companies under investigation. The dumping margin for The Beall Company was not included in the weight averaging used to obtain a rate for "all other companies".

Scope of Investigation

The merchandise covered by this investigation is fresh cut roses. The two most commercially important types of fresh cut roses are hybrid teas and sweethearts, which are currently provided for under item number 192.18 of the *Tariff Schedules of the United States*.

Fair Value Comparison

To determine whether sales of the subject merchandise in the United States were made at less than fair value, we compared the United States price with the foreign market value.

United States Price

As provided in section 772 of the Act, we used both the purchase price and exporter's sales price of the subject merchandise to represent the United States price for sales by the Colombian producers.

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Purchase price was used in those situations in which merchandise was sold to unrelated purchasers prior to its importation into the United States. We calculated the purchase price based on either the f.o.b., c.i.f., or c.i.f. duty paid packed price to unrelated purchasers in the United States. We calculated this price by deducting, where appropriate, foreign inland freight, air freight, U.S. customs duties, and brokerage from the U.S. sales price.

We used exporters' sales price (ESP) to represent the United States price when the merchandise was sold to unrelated purchasers after importation into the United States. For these sales, we made deductions, where appropriate, for foreign inland freight, air freight, U.S. customs duties, brokerage, commissions, and selling expenses incurred in the United States.

Foreign Market Value

In accordance with section 773(e) of the Act, we calculated foreign market value based on constructed value. There were not sufficient home market or third country sales of such or similar merchandise for the purpose of comparison. We calculated the cost of materials, fabrication, general expenses, profit, and the cost of packing. The amounts added for general expenses were the actual amounts reflected in the companies' financial statements. These amounts were higher than the statutory minimum of 10 percent of the sum of material and fabrication costs. The amount added for profit was the statutory minimum of 8 percent of the sum of materials, fabrication costs, and general expenses.

Petitioners' Comments

Comment_1

Petitioner alleged that respondents have a motive to sell roses at less than fair value because they allegedly may be smuggling cocaine into the United States in their rose shipments.

DOC Position

The intent or motive of a foreign producer to dump is irrelevant under the antidumping law (compare 15 U.S.C. 72, which does include an 'intent" test). Rather, our concern is whether and to what extent respondents are selling at less than fair value. In this case, our analysis showed sales at less than fair value by 10 of the 11 companies we investigated. We have confirmed that the Treasury and Justice Departments, which have jurisdiction over drug smuggling matters, are currently investigating this situation.

Comment 2

Petitioner alleged that the Colombian rose growers had extraordinary security expenses.

DOC Position

Security costs are accounted for in the farms' financial statements and are included in the constructed value calculation.

Comment 3

Petitioner alleged that certain goverment-provided benefits reduce the Colombian rose growers' cost of production and that the Department should, therefore, value respondents' interest rates at the market rate rather than at the artificially low rate provided by the government.

DOC Position

We included actual costs, including the cost of any financing, in our cost of production calculation. The alleged subsidy programs mentioned are being investigated in the current countervailing duty section 751 review regarding cut flowers (roses included) from Colombia. Because it has not been determined whether programs are subsidies, we have not addressed the issue whether to adjust our calculations to account for them.

Comment 4

Petitioner argued that any allocations made in the investigation be made on the basis of sales value only.

DOC Position

We have examined the allocation of costs made by the respondents in this case. We have verified that these methods are the ones actually used in their accounts and that they are reasonable. Therefore, we have accepted them.

Comment 5

Petitioner argued that the Department must investigate all rose growers exporting to the United States and that we may not restrict coverage to the 11 companies investigated in this case. Petitioner asserts that investigating fewer than all exporters will present an inaccurate picture of the rose trade.

DOC Position

The Department's regulations authorize investigation of fewer than 100 percent of exporters, as long as at least 60 percent of exports to the United States are covered. The companies under investigation account for more than 60 percent of exports of fresh cut roses to the United States. In addition, the petitioner has provided no probative information showing that our limiting of the investigation presents an inaccurate picture of the rose trade. However, all Colombian rose growers, whether or not investigated, are covered by our final determination.

Comment'6

Petitioner alleged that respondents have not accurately presented their rates of wastage and the cost of providing free boxes of roses to U.S. customers. Petitioner used U.S. industry experience and letters from retailers to support these allegations.

DOC Positiion

We have investigated these issues and have found no evidence to substantiate petitioners' allegations that Colombian rose growers or U.S. importers of Colombian roses were providing free boxes to U.S. customers. U.S. importers did occasionally make no-charge replacement shipments for damaged merchandise but these shipments were verified a bona fide credits. Colombian growers do provide a limited number of free boxes in Colombia to charities, civic groups and employees. If these free boxes were export quality roses, they were included in our constructed value allocation of costs. Wastage figures were verified from Colombian growers' production records. Production classifiable as waste was not included in the constructed value allocation of costs.

Comment 7

Petitioner argued that respondents' methodologies in calculating depreciation were different for each company and were not in accordance with accepted accounting principles.

DOC Position

We have examined the methodology of each company for calculating depreciation. We found that the various: methods were conservative in approach, not distortive, and in accord with Colombian accounting principles.

Comment 8

Petitioner argued that as no interest was charged by the growers in the sale of Colombian roses and as there were... time lags between U.S. sales and payment, we should impute credit costs in our calculations.

DOC Position

Our calculations reflect the actual experience of the companies in producing and selling roses in the United States. We have verified that no interest was charged. Export financing Federal Register / Vol. 49. No. 149 / Wednesday, August 1, 1984 / Notices

for roses was provided by long- and short-term Proexpo loans and we have taken these loan costs into account in calculating the growers' cost of production.

Comment 9

Petitioner argued that the respondents have provided inadequate public symmaries of their information and have been untimely in submitting their recent, revised submissions. In addition, the supporting documents obtained at verification were not available to the petitioners.

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DOC Position

The Department's regulations permit respondents to submit brief nonconfidential summaries when respondents agree to release the confidential information under administrative protective order (APO). The respondents have satisfied this requirement. The additional submissions by the respondents were generally made at the behest of the Department and were in response to our requests for additional information or clarifications arising from analysis of the data submitted. All information not classified as verification exhibits was made available to petitioners under APO.

Respondents' Comments

Comment 1

Respondents argued that in figuring cost of production of roses for calculating constructed value, we should allocate costs over all production and not just over export quality roses.

DOC Position

In calculating constructed value, we will allocate costs over export quality roses only. We will treat non-export quality roses as by-products and will adjust costs to reflect the value received from the sale of the by-products. Our methodology reflects accepted accounting standards.

Comment 2

Respondents argued that we should treat Flores de los Andes. Flores Monte Verde, and Inversiones Penas Blancas as one entity since they are owned by the same persons and administration is handled by one service company. Grupo Andes.

DOC Position

We agree and have treated them as a single entity, Grupo Andes.

Comment 3

Respondents argued that a weightedaverage U.S. price should be used for comparisons because of the perishable nature of the product and the daily fluctuations in prices.

DOC Position

Use of a weighted-average U.S. price would be a departure from our standard procedures. We have used weighted average prices only in unique circumstances, see e.g., Fresh Winter Vegetables from Mexico 45 FR 20152 (1980). That case involved an auction market in which approximately 2,000 vegetables growers sold on consigment to 50 distributors who had exclusive responsibility for negotiating prices. The producers had no effective control over production. The perishable nature of the vegetables prevented the producers from withholding the output of vegetables to avoid temporary oversupplies. As a result, these 2,000 growers had no real influence on the prices at which their products were sold in the United States in the course of a day, week, month, or season. Prices fluctuated drastically within a given day.

Here, respondents ask us to calculate a weighted-average U.S. price covering the entire period of investigation for each rose producer. Unlike the Fresh Winter Vegetables case, this case involves a small number of large, sophisticated, and profitable rose growers. These producers set the terms of the rose sales. These may include consigment, fixed price, or consignment with a minimum price, depending on their preference. Further, the producers can, to an extent, control their output by pinching back rosebuds, thereby avoiding oversupply during periods of low sales.

The Department is required to administer the antidumping law in a manner which takes into account the economic realities of a given case. While we do not dispute that roses are perishable and that their perishability may have some effect on their price, we view this case as distinguishable from the Vegetable case because of the rose producers' ability to control the terms of the sales so as to take advantage of market fluctuations, and their ability to control their production. We have, therefore, not calculated weightedaverage U.S. prices, and instead have used our traditional methodology for calculating U.S. price. However, we have expanded our period of investigation to take into account the cyclical nature of the rose business, the nature of the product, and variation in Drice.

Comment 4

Respondents argued that we treat Inversiones Penas Blancas and Agricola Benilda as we did Ciba Geigy in taking into account low rose productivity during the start up or expansion of rose production.

DOC Position

Ciba Geigy was a completely new farm which began its initial rose growing operation during the period of investigation. Agricola Benilda and Inversiones Penes Blancas were ongeing producers of roses, which were only adding capacity. Because Ciba Geigy's experience did not roflect that of a company in the ordinary course of rose growing, we normalized Ciba Geigy's production in accordance with section 773(e)(1)(A) of the Act.

Comment 5

Respondents argued that we should not use the 50/50 allocation given in the response for costs of production of roses and carnations for Rosas Colombianes. They suggest that we allocate cost based on the ratio of land use for each product.

DOC Position

The Department verified the cost of production using the 50/50 allocation. We found it to be conservative and reasonable. No new information we submitted on this issue prior to or during our verification. Therefore, we see no grounds to restate costs on a new basis.

Comment 8

Respondents argued that for certain companies the per unit values were overstated by inclusion of packing costs in the calculation of profit for determination constructed value.

DOC Position

We agree and our methodology has been adjusted to exclude the cost of packing for calculating profit for determining constructed value.

Comment 7

Respondent argued that in our verification report on Roselandia we overstated its ESP selling expenses for roses.

DOC Position

We agree and have made an adjustment in our calculations to reflect actual selling expenses.

Comment 8

Respondents argued that we should use, in calculating Floramerica's U.S. price, a guaranteed minimum contract price between it and its unrelated U.S. importer, rather than the actual prices from the consignment sales.

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DOC Position

We disagree. We verified the terms of the contract between Floramerica and its importer and found that while the contract does guarantee a minimum return per unit on an annualized basis, this guarantee is secondary to the terms covering consignment sales. Additionally, during the period of investigation, the return on consignment sales exceeded the guaranteed minimum nullifying the minimum price arrangement.

Verification

In accordance with section 776(a) of the Act, we verified all data used in reaching this determination by using standard verification procedures, including on-site inspection of the growers' operations and examination of accounting records and selected documents containing relevant information.

Negative Determination of Critical Circumstances

Counsel for petitioner alleged that imports of fresh cut roses from Colombia present "critical circumstances." Under section 735(a)(3) of the Act (19 U.S.C. 1673d), critical circumstances exist when: (A)(i) There is a history of dumping in the United States or elsewhere of the merchandise under investigation, or (ii) the person by whom, or for whose account, the merchandise was imported knew or should have known that the exporter was selling the merchandise under investigation at less than its fair value; and (B) there have been massive imports of the merchandise under investigation over a relatively short period.

In determining whether there have been massive imports over a relatively short period, we considered the following factors: recent trends in import penetration levels; whether imports have surged recently; whether recent imports are significantly above the average calculated over the last several years (1981-1983); and whether the patterns of imports over that 3-year period may be explained by seasonal swings. Based upon our analysis of the information, we determine that imports of the products covered by this investigation do not appear massive over a relatively short period (September through December 1983).

For the reasons described above, we determine that critical circumstances do not exist with respect to fresh cut roses from Colombia.

ITC Notification

In accordance with section 735(d) of the Act, we will notify the ITC of our determination. In addition, we are making available to the ITC all nonprivileged and non-confidential information relating to this investigation. We will allow the ITC access to all privileged and confidential information in our files, provided the ITC 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. The ITC will make its determination whether these imports are materially injuring, or threatening to materially injure, a U.S. industry within 45 days of the publication of this notice. If the ITC determines that material injury or the threat of material injury does not exist, this proceeding will be terminated and all securities posted as a result of the suspension of liquidation will be refunded or cancelled. If, however, the ITC determines that such injury does exist, we will issue an antidumping order, directing Customs officers to assess an antidumping duty on roses from Colombia entered, or withdrawn, for consumption after the suspension of liquidation, equal to the amount by which the foreign market value of the merchandise exceeds the U.S. prices.

Suspension of Liquidation

In accordance with section 733(d) of the Act, we directed the United States Customs Service to suspend liquidation of all entries of the subject roses from Colombia, which are entered, or withdrawn from warehouse, for consumption, on or after March 14, 1984. Except for Rosas de Colombia, the Customs Service shall continue to require a cash deposit or the posting of a bond equal to the estimated weightedaverage amount by which the foreign market value of the merchandise subject to this investigation exceeds the United States price. This suspension of liquidation will remain in effect until further notice. The weighted-average margins as of the publication of this notice in the Federal Register are as follows:

Am	Weighted- average mergin percentage
Las Flores, Lide	1.23
Rossiendie, Lide Grupo Andes: Flores de tos Andes; Flores	2.19
Biences	3.10 3.56

Firm	Weighted- average margin percentage
Agricola Benilda Lida	5.14 8.81
The Beal Company	6.61
All other companies	2.66

This determination is being published pursuant to section 735(d) of the Act (19 U.S.C. 1673d(d)).

Dated: July 27, 1984.

William T. Archey,

Acting Assistant Secretary for Trade Administration.

[PR Doc. 86-20352 Filed 7-91-84: 845 am] SKLING CODE 2516-55-66

APPENDIX C

WITNESSES APPEARING AT THE HEARING

CALENDAR OF PUBLIC HEARING

Those listed appeared as witnesses at the United States International Trade Commission's hearing:

> Subject : Fresh Cut Roses from Colombia Inv. No. : 731-TA-148 (Final) Date and time: July 30, 1984 - 10:00 a.m.

Sessions were held in connection with the investigation in the Hearing Room of the United States International Trade Commission, 701 E Street, N.W., in Washington.

In support of the imposition of antidumping duties:

Stewart and Stewart--Counsel Washington, D.C. on behalf of

Roses, Incorporated

Leonard S. Busch, Len Busch Roses, Plymouth, Minn., President of Roses Incorporated

Christopher Wright, N. H. Wright, Inc., Cranbury, N.J., Chairman, Import Action Committee, Roses, Incorporated

James C. Krone, Executive Vice President, Roses Incorporated, Haslett, Michigan

Arthur Heyl, Heyl Roses, Inc., Green Village, N.J.

Herman R. Schenkel, Jr., H. R. Schenkel, Inc., Lynchburg, Virginia

Ron Spanbauer, Carolina Roses, Inc., Horse Shoe, North Carolina

- more -

Tim Matsuno, Kitayama Brothers, Brighton, Colorado William Brucé Chase, Chase Gardens, Inc., Eugene, Oregon Francis Aebi, Sr., Aebi Nurserý, Richmond, California Ms. Sylvia Foltz, Groen Rose Company, Santa Fe Springs, California

Arne Thirup, Pajaro Valley Greenhouses, Inc., Watsonville, California

> Eugene L. Stewart) Ms. Kathleen T. Weaver)--OF COUNSEL Ms. Mary E. Tuck)

In opposition to the imposition of antidumping duties:

Busby, Rehm and Leonard--Counsel Washington, D.C. on behalf of

. . . .

Florists' Transworld Delivery Association (FTD)

John Reilly, Principal, ICF Incorporated, Washington, D.C.

P. Lance Graef, Project Manager, ICF Incorporated

Don Flowers, Don Flowers, Florist, Inc., Randallstown, Maryland

James O. Nordlie, Nordlie, Inc., Detroit, Michigan

Robert O. Schurke, Carlstedt's Wholesale Florists, Jacksonville, Florida

James A. Speer, Speer's Flowers, Inc., Covina, California

Will E. Leonard) Jonathan Glazier)--OF COUNSEL Philippe Bruno)

- more -

Heron, Burchette, Ruckert & Rothwell--Counsel Washington, D.C. on behalf of

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The Asociacion Colombiana de Exportadores de Flores ("Asocolflores"), and the Association of Floral Importers of Florida, ("A.F.I.F.")

Richard B. Perillo, President, Superior Floras, Inc.

James B. Parks, Jr., President, J. B. Parks Wholesale Florists, Inc.

> Thomas A. Rothwell) James Lyons)--OF COUNSEL

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DISCUSSION OF THE GEOGRAPHIC CONCENTRATION OF THE INDUSTRY

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APPENDIX D

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Geographic Concentration of the Industry

Imports of fresh cut roses from Colombia are concentrated in the Eastern United States, entering predominantly at Miami International Airport. Nearly all of the imports of fresh cut roses are consumed in the Eastern United States. Roses produced in the Eastern United States are almost always consumed in the Eastern United States (Table D-1). A significant portion of the production of roses in the Western United States is not consumed in that region but is shipped to the Eastern United States for consumption in that region. Questionnaire responses by western growers indicate that (1) such growers are shipping about the same share of their production to the Eastern United States, (2) they are accounting for about the same share of total shipments in the Eastern United States in 1983 as they did in 1981, and (3) this is occurring in the face of substantially increased imports of Colombia roses. During this same period, eastern growers' production and share of the eastern market has declined.

Table	D-1Fresh cut roses:	Distribution o	f sales	by area	served	for
	40 eastern and	western growers,	<u>1</u> / 1981	-1983		

1

:	Sales to E	15	tern Unit	:e	d States	:	Sales to 1	Ne	stern Unit	te	d States	:
Year : : :	California growers	::	Other western growers	::	Eastern growers	:	California growers	:	Other western growers	::	Eastern growers	: Total : :
•						/ 7					<u> </u>	
:					******	-(1	,000 blooms)-				
- :		:		:		:		:		:		:
1981:	24,699	:	7,062	:	44,993	:	47,697	:	27,796	:	-	:152,247
1982:	26,913	:	7,549	:	46,570	:	49,475	:	27,067	:		:157,574
1983:	30,242	:	7,605	:	49,598	:	53,241	:	29,679	:		:170,665

growers.

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

A significant share of U.S. production of fresh cut roses is in the Western half of the United States, principally encompassing California, Colorado, Oregon, Utah, and Washington. In the absence of national statistics on the regional concentration of domestic production, data compiled from questionnaire responses of U.S. growers are used as a proxy for the geographic segmentation of U.S. production and shipments. Data presented in tables D-2 and D-3 clearly show that California growers dominate the U.S. industry in terms of production and shipments. California's share of U.S. production (salable blooms produced) increased from 53.8 percent in 1981 to 55.4 percent in 1983, and from 52.3 percent of total production in January-March 1983 to 56.1 percent in the corresponding period of 1984.

From 1981 to 1983, California growers and eastern growers increased the area devoted to fresh cut rose production by 1.7 percent and 5.1 percent, respectively; other western growers reduced the area devoted to rose production by 6.0 percent. The area devoted to rose production was higher in January-March 1984 compared with the corresponding period of 1983 for all three of the growing areas. California growers showed the greatest expansion, increasing the area devoted to rose production by 2.8 percent. Although eastern growers expanded the area devoted to rose production, total salable blooms produced by these growers declined over the period 1981-83 and January-March 1984. During the same period, western growers were able to greatly expand the total number of salable blooms produced. California growers showed the greatest increase, with total salable blooms produced rising by more than 9.7 percent from 1981 to 1983 and by more than 12.4 percent in January-March 1984 compared with January-March 1983.

-				January-P	larch	Percentage change,				
Item : : ::	1981	1982	1983	1983	1984	: 1983 : : from : : 1981 :	Jan-Mar 1984 from Jan-Mar 1983			
: Area in production: 1/:	:					•				
California grouper										
1 000 equare										
feet	9 278 -	9 250	. 0 / 35	. 9.397 .	9 658		2 8			
Other Western :	,270	,250	2,400		,050	· · · / ·	2.0			
growersdo	3 477 .	3 356	3 269		3 302	(6 0).	11			
Eastern :	5,477	5,550	5,205	: 3,205	3,302	· (0.0).	1.1			
growersdo:	4.029 :	4.229	4.234	4.167 :	4.246	5.1 :	1.9			
Totaldo:	16.784	16.835	16,938	16,829	17.206	0.9	2.2			
Plants in :	,			:						
production: 2/ :	:		: :		: :	: :	•			
California growers :	:	:	:	: .	:	: :				
units:	5,318 :	5,344	5,494	: 5,485 :	5,613	: 3.3 :	2.3			
Other western :		-		:		: :				
growersdo;	1,929 :	1,862 :	. 1,818 :	: 1,816 :	1,758	: (5.8):	(3.2)			
Eastern :		:	: '	: :	:	: :				
growersdo:	3,132 :	3,045	3,038	3,014	2,910	: (3.0):	(3.5)			
Totaldo:	10,380 :	10,251	10,350	: 10,315 :	10,281	: (0.2):	(0.3)			
Total salable blooms : produced: 1/ :	:				:	: :				
California growers :	:	: :	:	:	:	: :	· ·			
1,000 blooms:	139,224 :	138,252 :	152,716	: 29,808 :	33,497	: 9.7 :	12.4			
Other western :	:		;	: :	8	: :				
growersdo:	45,980 :	48,653 :	: 49,936 :	: 11,239 :	11,497	: 8.6 :	2.3			
Eastern :	:	: :	: :	: :	:	: :				
growersdo:	73,364 :	72,854	72,767	: 15,650 :	14,676	: (0.8):	(6.2)			
Totaldo:	258,568 :	259,759 :	: 275,419 :	: 56,697 :	59,670	: 6.5 :	5.2			
California as a share :	:	t -	:	: :	· ·	: :				
of total :	:		۱ _. ۱							
Area in production :										
percent:	55.3 :	54.9	55./	55.8	56.1	0./	0.5			
Plants in :		. EO 1	F0 1		Б., Б., С.		• • •			
productiondo:	51.2 :	52.E	53.1	53.2	54.6	: 3./ :	2.6			
produceddo:	53.8 :	53.2	55.4	52.3	56.1	3.0	7.3			

Table D-2.--Fresh cut roses: Areas in production, plants in production, and total salable blooms produced, by areas, 1981-83, January-March 1983, and January-March 1984

 $\frac{1}{2}$ Data are for 64 fresh cut rose-growing firms. $\frac{2}{2}$ Data are for 63 fresh cut rose-growing firms.

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

:	:	1000	:	:	January	-March
Area	1981 :	1982	:	1983	1983	: 1984
:		Quantit	t y	(1,000 bloc	oms)	
;;	:		:			:
California:	136,894 :	133,563	:	148,015 :	29,140	: 32,238
Other western growers:_	44,780 :	47,100	:	48,471	11,031	: 11,175
Subtotal:	181,674 :	180,663	:	196,486	40,171	: 43,413
Eastern growers:_	69,798 :	70,831	:	69,464	15,140	: 14,282
Total:_	251,472 :	251,494	:	265,950	55,311	: 57,695
· · · · · · · · · · · · · · · · · · ·		Value	(1	,000 dollar	rs)	
:	:		:			:
California:	27,268 :	28,443	:	33,638 :	10,738	: 12,064
Other western growers:_	10,636 :	12,212	:	13,284 :	4,191	: 4,382
Subtotal:	37,904 :	40,655	:	46,922	14,929	: 16,446
Eastern growers:_	23,918 :	25,914	:	29,447	8,505	: 8,193
Tota1:_	61,822 :	66,569	:	76,369	23,434	: 24,639
:		Unit value	е (cents per 1	oloom)	
:			:		:	:
California:	19.9 :	• 21.3	:	22.7	36.8	: 37.4
Other western growers:_	23.8 :	25.9	:	27.4	38.0	: 39.2
Average:	20.9 :	22.5	:	23.9	37.2	: 37.9
Eastern growers:	34.3 :	36.6	:	41.2	56.8	: 57.4
Average:	24.6 :	26.5	:	28.5	42.6	: 42.7
			<u> </u>			•

Table D-3.--Fresh cut roses: Domestic shipments of roses by 73 western and eastern U.S. growers, 1981-83, January-March 1983, and January-March 1984

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

APPENDIX E

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DEFINITIONS OF REPRESENTATIVE ROSE PRODUCTS USED IN THE QUESTIONNAIRES, DEFINITIONS OF EASTERN AND WESTERN UNITED STATES, WEIGHTED-AVERAGE NET F.O.B. SELLING PRICES, AGGREGATE QUANTITIES, AND PRICE INDEXES BASED ON PRICE DATA REPORTED BY DOMESTIC GROWERS AND IMPORTERS

REPRESENTATIVE ROSE PRODUCTS USED IN PRODUCER AND IMPORTER QUESTIONNAIRES

Hybrid tea rose products:

- (1) Roses 18"-22" in stem length, red varieties.
- (2) Roses 22"-26" in stem length, red varieties.
- (3) Roses 26" and over in stem length, red varieties.

Sweetheart rose products:

- (4) Roses 10"-14" in stem length, red varieties.
- (5) Roses 14"-18" in stem length, red varieties.

REPRESENTATIVE ROSE PRODUCTS USED IN PURCHASER QUESTIONNAIRES

Hybrid tea rose products:

- (6) Roses 18"-26" in stem length, red varieties.
- (7) Roses 26" and over in stem length, red varieties.

EASTERN AND WESTERN UNITED STATES

Eastern United States.--Alabama, Connecticut, Delaware, District of Columbia, Florida, Georgia, Illinois, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, Mississippi, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Puerto Rico, Rhode Island, South Carolina, Tennessee, Vermont, Virginia, West Virginia, and Wisconsin.

<u>Western United States</u>.--Alaska, Arizona, Arkansas, California, Colorado, Hawaii, Idaho, Iowa, Kansas, Louisiana, Minnesota, Missouri, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Utah, Washington, and Wyoming.

Table E-1.--Red hybrid tea roses sold to wholesalers: Net f.o.b. weighted-average selling prices and volume of domestic and imported Colombian roses, by types of sales, and by selected stem lengths, quarterly January-March 1982-84, and annually 1982 and 1983 1/

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الأرافقة المرازين

		January-	March		: January-December								
Type of sale, stem : length, and period :	U.S. r	oses	Colombia	an roses	U.S. 1	:08e8	Colombia	an roses					
	Price	Volume	Price	Volume	Price	Volume	Price	Volume					
	Per :	1,000 :	Per	1,000	Per	1,000 :	Per	1,000					
Creek and and	proom :	blooms :	bloom	blooms	DICOM	<u>D10008</u>	DTOOM	DIOOMB					
Spot sales:		1					4						
10-22 inches:			Aa / a	•			40.00						
1982	\$ \$0.42 :	1,094 :	\$0.48	: 944 :	\$0.25	3,364 :	\$0.32	3,9/8					
1983		1,203 :	.50	: 1,386	· .25 :	6,410 :	.30	· 0,JI2					
	.45 :	1,385 :	.42	2,818	<u>2</u> /	<u>2</u> / :	<u>2/</u>	2/					
1000				· · · · ·									
1982	.42 :	1,183 :	.65	: 1,444 :	.26 :	5,824 :	.44	. 0,070					
1983	: .39 :	1,543	.62	: 3,019		6,145 8		: 12,124					
1984	.49 :	1,399 .:	. 59	: 4,977 :	<u>2</u> / :	2/	2/	<u>2/</u>					
26 Inches and over:	l 1			:									
1982	.44 :	1,073 :	.55	: 786 :	.28	5,684 :	.42	2,679					
1983	.49 :	1,448	.61	: 1,017	: .31	: 6,236 :		: 4,83/					
1984	.53 :	1,556 :	.57	: 2,490 :	: <u>2</u> / :	<u>2/</u> :	<u>2/</u>	: <u>2/</u>					
Consignment sales:	: :	, 1		: 1	: · · · ·		:	:					
18-22 inches:	:			:	: :			:					
1982	: .67 :	596 :		: -:	.48	: 3,078 :		• -					
1983:	.72 :	759 :	-	: - :	.50 :	3,494 :	.14	: 40					
1984	: .65 :	820 :	.22	: 25 :	: <u>2</u> / :	: <u>2/</u> :	: <u>2/</u>	: <u>2</u> /					
22-26 inches: :	: j :			:	: :		:	:					
1982	.49 :	465 :		: - :	: .36	: 2,324 :		: -					
1983;	.49 :	660 :	· - ;	: - :	.37 :	2,784 :	.14	: 40					
1984:	: .45 :	648 :	.22	: 25 :	: <u>2</u> / :	: <u>2</u> / :	: <u>2</u> /	: <u>2/</u>					
26 inches and over: :		• •						:					
1982:	.46 :	552 :	-	: - :	.36	1,774 :	: <u> </u>	: -					
1983:	.51°:	530 :	· - :	: - :	.38 :	1,734 :	.14	: 112					
1984:	.46 :	407 :	.22	: 69 :	: 2/ :	2/ :	2/	: <u>2/</u>					
Standing-order sales: :	: i i	:			: - - :	. – .	: <u> </u>	. – .					
18-22 inches: :	:			•	· · · •	p _ 1 1	: • • •	• · · · ·					
1982:	.46 :	231 :	.35	: 55 :	.30	1,445 :	.35	: 217					
1983:	.51 :	259 :	.36	: 133 :	.32	1,507 :	.37	: 394					
1984:	.46 :	341 :	. 37	: 187 :	2/ :	2/ :	2/	: 2/ '					
22-26 inches:	:	:	•	: :		· - ·	-	: -					
1982:		309 :	.37	: 90 :	.31	1,660 :	. 37	: 354					
1983	.49 :	349 :	.39	: 208 :	.33	: 1,705 :	. 39	: 656					
1984:	.47 :	453 :	.39	: 324 :	2/	2/ :	2/	: 2/					
26 inches and over: :	:	· · · ·		: · · · ·	. — .	· - ·	-	. – (
1982:	.50 :	795 :	. 39	: 42 :	.35 :	3,130 :	.39	: 162					
1983:	.54 :	887 :	.41	: 109 :	.38	3,234	.41	: 425					
1984	.50 :	901 :	.41	: ·· 157 :	2/ :	2/ :	2/	: 2/					
	: :	:			-	_		. –					

1/ The price data were based on the net f.o.b. selling prices and quantities reported by domestic rose growers and by importers of Colombian roses.

2/ Data not available.

. .

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

January-March January-December Type of sale, stem California Other western California Other western : : Eastern suppliers Eastern suppliers length, and period suppliers suppliers suppliers suppliers Volume Volume Price Volume Price Price Volume Price Volume Price Volume Price Per ; 1,000 1,000 Per 1,000 1,000 Per 1,000 1.000 : Per ; : Per : : : : Per : : : : blooms bloom blooms bloom blooms : blooms : blooms : bloom bloom : blooms : bloom : b100m : : : : Spot sales: . • 18-22 inches: : 1982-----: \$0.69 : \$0.41 : 33 : 683 : \$0.40 : 377 : \$0.51 : 157 : \$0.25 : 3,622 : \$0.24 : 1.785 1,540 1983-----: .. 36 : 163 : .23 : 4,706 : .26 : .75 : 35 : 847 : .43 : 321 : .61 : 2/ 1984-----: .80 : 21 2/ 2/ 42 : .43 : 1,003 : .48 : 340 : 2/ • : . 2/ 22-26 inches: : : : : : : .26 : 1982-----: 20 : .42 : .78 : .41 : 837 : .62 ; 89 : 4.358 : 1.377 326 : .26 : 1983-----4,949 : .82 : 22 : 233 : .68 : 91 : .27 : .29 : 1,105 .37 : 1,288 : .52 : 1984-----: 2/ 2/ .87 : 22 : .48 : 1.076 : .52 : 301 : 2/ 2/ 2/ 2/ : : : 26 inches and over: : : : - Sec. 1 : : 1982-----: .75 : .43 : 3 : 809 : .47 : 261 : .70 : .27 : 4.726 : .29 : 944 14 : 733 1983-----: .70 : .32 : 4 : .49 : 1,264 : .54 : 181 : .74 : 15 : .30): . 5,487 : 1984-----: .80 : 3 : .53 : 1,324 : .52 : 230 : 2/ .: 2/ 2/ 2/ 2/ 2/ . ÷. : Consignment sales: : : : • : : : 18-22 inches: : : : . . : : 899 : .38 : 950 1982-----: .94 : 270 : .41 : 203 : .73 : 1,230 : .26 : 123 : .48 : 1983-----: 1.04 : 333 : 273 : 1,208 : 1,008 .46 : 153 : .46 : .80 : .28 : : .38 : 1,278 1984-----: 2/ 1.05 : 288 : .43 : 223 : .43 : 309 : 2/ 2/ 2/ . : 2/ 2/ : : 22-26 inches: · • · : : : : : : : .27 : 984 : .41 : 1,260 1982-----.90 : .41 : 284 : .56 : 80 : 17 : 164 : .50 : 1983-----: .87 : 69 : .30 : 1.105 : .40 19 : .46 : 204 : .49 : 437 : .58 : 1,610 2/ 1984-----: .85 : 315 : 2/ 2/ 2/ 2/ 2/ . : 13 : .43 : 320 : .46 :: : : 26 inches and over: : : : : : : : : .45 : 618 1982-----: .43 : 322 : .50 : 230 : - : .31 : 1,156 : - : - : - : 1983-----: 131 : .35 : 1,308 : .49 : 426 - : - : .48 : 399 : .60 : : 2/ 2/ 2/ 2/ 1984-----: .45 : 340 : .53 : 68.: 2/ 2/ • : - : - : : Standing-order sales: : . : : : : : . . 18-22 inches: . . . : .: : : : : : 1982-----: .64 : 2 : .41 : 159 : 69 : .45 : 16 : .26 : 1,068 : .42 : 361 .58 : 1983-----: 1,190 : .45 : 306 .77 : .28 : 2. : .44 : 188 : .70 : 69 : -.50 : 11 : 1984-----: . 98 🗄 1: .43 : 76 : 2/ : 2/ 2/ 2/ 263 : .59 : 2/ 2/ : • 22-26 inches: ີ : : : : : : : .27 : 1982-----: 70.: 361 - : - : .40 : 239 : .51 : 1.299 : .45 : - : - : 306 1983-----: 70 : .29 : 1,400 : .49 - : - : .43 : 280 : .73 : : - - - : 1984-----: - : - : .43 : 376 : .65 : 78 : 2./ 2/ 2/ 2/ 2/ 2/ : . : 26 inches and over: : : : : . 2 : 1982-----: .45 : .64 : 4 : 650 : .73 : 140 : .45 : 29 : . 31 2,383 : .49 : 718 20 : .51 : 620 1983-----.77 : 4 : .50 : 741 : .76 : 143 : . 50 : .35 : 2,594 : 2/ 1984-----: .98 : 3: .46 : 744 : .70 : 154 : 2/ 2/ 2/ : : 2/ : : : • : ٠. •

Table E-2.--Red hybrid tea roses sold to wholesalers: Net f.o.b. weighted-average selling prices and volume of domestic roses, by sources of domestic suppliers, by types of sales, and by selected stem lengths, quarterly January-March 1982-84, and annually 1982 and 1983 1/

1/ The price data were based on the net f.o.b. selling prices and quantities reported by domestic rose growers.

 $\overline{2}$ / Data not available.

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

Table E-3.-- Red hybrid tea roses sold to retail florists: Net f.o.b. weighted-average selling prices and volume of domestic roses, $\underline{1}$ / by types of sales, $\underline{2}$ / and by selected stem lengths, quarterly January-March 1982-84, and annually 1982 and 1983 $\underline{3}$ /

Type of sale,	Januar	y-March	January	December
stem length, and period	Price	Volume	Price	Volume
	Per	: 1,000	: <u>Per</u>	1,000
	bloom	: blooms	: <u>bloom</u> :	blooms
Spot sales:		:	: :	
18-22 inches:		•	: :	-
1982	\$0.64	: 534	: \$0.45 :	2,937
1983	.63	: 587	.46	3,240
1984	.64	: 642	: - :	-
22-26 inches:		:	: :	-
1982	.58	: 584	.43	2.544
1983	.59	: 659	: .44	2,791
1984	.57	: 763	: - :	: -
26 inches and over:			:	
1982	.55	: 366	: .39	1.575
1983	.57	: 420	: .41	1.696
1984-	56	: 482	: -	
Standing-order sales:		:	:	<i>x</i>
18-22 inches:		:	:	
1982		: 380		2,110
1983	.50	: 406	: .38	2,232
1984	ρ <u>λ</u> ·	• 400	•	
22-26 inches:	•	• •	•	•
1982	• 44	• 413	• 32	. 1751
1983	· · · · ·	• 463	• • • • •	1 902
1984	· .4-7	. 535	• _	
26 inches and over:	• • • •	•	•	
1982	• ^^	103	• 28	, , 1 044
1083	·	· 221	· · · 20	· 1 102
1984	· · · · · · ·	· 260		. 1,123
		. 207	• -	-

 $\underline{1}$ / Importers of Colombian roses did not report any sales of the red hybrid tea rose products to retail florists. It is believed that the importers sell primarily to wholesale florists.

2/ Domestic rose growers did not report any consignment sales of the red hybrid tea rose products to retail florists.

3/ The price data were based on the net f.o.b. selling prices and quantities reported by domestic rose growers.

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

					Januar	y-Maro	ch				:	:				Janua	ry-I	December				
Type of sale, stem : length, and period :	Eastern	supp	pliers	: :	Calif supp	ornia liers	:	Ot	her k suppl	lier	ern : s :	East	ern s	uppli	ers :	Ca S	lifc upp1	ornia iers	: 01	ther W suppl	estern iers	1
	Price		Volume	:	Price	Vo	Lume	Pri	ce	V	olume	Pri	ce :	Vol	ume :	Pric	e	Volume	Pr	ice	Volu	me
	Per bloom	;] ;]	,000 0100ms	:	Per bloom	: <u>1,0</u> : blo	000 :	Pe blo	r : om :	1 b	,000 : looms :	Pe blo	r : om :	1,00 bloc	00 : oms :	Per bloom		1,000 blooms	: Po : b1	er : Dom :	1,00 bloc)0)ms
Spot sales:		: -		:		:			:	-	:		- :		:			·	: .	:	- <u></u> -	
18-22 inches:	*n 99	::	236	: .		:	110	•	50	:	170	. +0		1 (:	a n 1		1,000				
1082	. 40.00	•	230	:	a0.30	• •	1725	; ap∪ 	. 30 :		·1/9 :	୍ୱରୁପ	./3 : 75 .	1 (70U : 062 .	⊅ ∪ .,	21 : 21 :	1 089	- -	43 3	1	110
1984:	.09	:	238 268-	:	.36	: :	166		.49:		214 :	3/	./5 :	3/	042 : ;	~3/	21 i	3/	· : 3	/ :	3/	
22-26 inches:		:		: .	•	:	1	:	· •	:	· · •		:	-	:		:	. –	: .	:	. –	
1982:	1.01	: •	1.57	:	.40	:	297	:	.49 :	:	130 :		. 80 :		577 :	Ì	25	1,291	:	.45 :		676
1983	1.05	: -	162	:	.38	:	337	:	.55	:	160 :	3/	.84 :	3/	587 :	3/	25	1,400	: • • •	.47 :	31	8 <u>0</u> 4
26 inches and over:				• •	,	•	417 1				100 .	<u> </u>			•				: -	· .		•
1982	1.05	•	50		42	•	177		53 .		120 .		84 .		205		26			50 •		380
1983	1.13	. 1	66	•	40	•	202	•	57		152 .	•	90 -		210	•	27	1.057	:	.53		429
1984	1.28	:	59		. 38	•	249	•	59		174 •	3/	• • • •	3/		· 3/5	_/	3/	. 3	, .	3/	
Standing-order sales:		:		:		:	2.42				1/4 .	<u>, 1</u>	:	<u>, 4</u>		<u></u> /	•	<u> </u>	: -	· ·		
18-22 inches: :		:	÷	: .	,	:		-	. :		:		:		:				:			
1982:	.70	•	148	: .	.38	:	119	:	.41 :	:	113 :	1	.63 :	. 1	692 :		21	1,009	:	.39	:	409
1983:	.71	:	151	:	. 36	:	135 :		.40 :		119 :		.67 :	6	578 :		21 :	1.088		. 39 :	. ·	466
1984:	.75	:	131	:	.34	:	166	:	.42 :	:	142 :	3/	:	3/	:	3/		3/	: 3	/ :	3/	•
22-26 inches: :		:	• •	:		:	:		:		:	_	:	_	:	. —	:		: -	:	-	
1982	.65	•	69	:	.40	:	297	:	.42 :	:	48 :		.59 :		282 :		25	: 1,291	:	.41 :		178
1983;	.69	:	. 72	:	. 38	:	337	:	.46 :	:	54 :		.61 :		297 :		25	1,400	:	.44	:	205
1984:	.77	:	49	:	. 36	:	417	:	.45 :	:	69 :	: <u>3/</u>	:	<u>3/</u>	:	<u>3/</u>	:	: <u>3</u> /	: <u>3</u>	/ :	: <u>3</u> /	
26 inches and over: :	:	:		:		:	:	:	:	:		: <u> </u>	:		:	_	:		:			_
1982:	.74	:	10	:	.42	:	177 :	:	.40 :	:	6 :	:	.63 :		33 :	•	26 :	: 990	:	.40 :	••••	22
1983:	.78	:	11	:	.40	:	202 :	;	.48 :	:	8:		.67 :		36 :	•	27 :	: 1,057	:	.45	1	31
1984:	.82	:	12	:	.38	:	249	:	.48 :	;	:8:	3/	:	3/	:	3/	:	: <u>3/</u>	: <u>3</u>	/ :	<u>3/</u>	
		:		:	·	:			:		:		:		:				:	;		
1/ Domestic rose grow	vers did n	ot r	eport	any	y consign	nment	sales	s of t	he re	ed hy	ybrid t	ea ro	se pr	oduct	s to '	retail	fle	rists.				
$\frac{2}{7}$ The price data wer	e based o	n th	ne net :	f.c	b.b. sell	ling p	orices	and	quant	:1t1	es repo	rted	by do	mesti	c ros	e grow	ers.	• 1				

Table E-4.--Net f.o.b. weighted-average selling prices and volume of domestic roses, by sources of domestic suppliers, by types of sales, 1/ and by selected stem lengths, quarterly January-March 1982-84, and annually 1982 and 1983 2/

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

	•	•	Sales to w	hòlesalers		Sales to retail florists $3/$								
	Type of sale, stem : length, and period :	January	-March	January-	December	January	-March	January-	December					
	:	Price	Volume	Price	Volume	Price	Volume	Price	Volume					
• •	:	Per :	1,000 :	Per :	1,000 :	Per :	1,000 :	Per :	1,000					
	• •	bloom :	blooms :	bloom :	blooms :	bloom :	blooms :	bloom :	blooms					
	Spot sales: :	:		:	:	:	:	:						
	10-14 inches: :			•	:: :		: 12 :	•	• •					
<i>.</i>	1982:	\$0.28 :	ື 360 :	\$0.17 :	1,745 :	\$0:32 :	284 :	\$0.26 :	1,475					
	1983:	.30 :	421 :	.17 :	1,872 :	• .36 :	306 :	.27 :	1,561					
	1984:	.26 :	352 :	- :	- :	• .41 :	282 :	- :						
. •	14-18 inches: :	:		•	. :	:	· · · · · ·	:						
	1982:	.25 :	1,357 :	.16 :	5,388 :	.35 :	237 :	.27 :	1,262					
	1983:	.26 :	1,306 :	.18 :	5,051 :	.39 :	282 :	.28 :	1,339					
	1984:	.28 :	1,086 :	· :	- :	.39 :	252 :	- :	-					
	Consignment sales: :	:	:	:	:	:	•							
• •	10-14 inches: :	• •	:	i		:	•	` · · · · •	•					
	1982:	.32 :	163 :	.23 :	774 :	÷ :	- :	- :						
	1983:	.35 :	. 167 :	.23 :	809 :	- :	· - :	- :						
	1984:	.32 :	153 :	· - :	- :	: - :	:	- :	´ -					
	14-18 inches: :		: :	:	:	۰× •	: :	· · :	• ` •					
	1982:	.33 :	334 :	.31 :	1,657 :	- :	- :	- :	-					
	1983:	.42 :	422 :	.31 :	1,734 :	:	- :	:	· · -					
	1984:		418 :	· · · · :		- :	:	- :	-					
	Standing-order sales: :	•	• •	•	:	:	••							
	10-14 inches: :	:	· :	•		:	:	:	· .					
	1982:		176 :	.22 :	828 :	.23 :	148 :	.18 :	764					
	1983:	.38 :	202 :	.24 :	810 :	. 24 :	149 :	.19 :	754					
	1984:	.32 :	186 :	· - :		.25 :	140 :		· · · _					
	14-18 inches: :		· · · · · ·	•										
	1982:	.34 :	141 :	.25 :	561 .	. 29	164 :	. 19	835					
	1983:	.37 :	134 :	.26 :	446 :	. 32 :	162 :	. 20 :	794					
	1984	. 34	. 82	·	9 9 9 9 9	34 -	155 .	· · _ ·						

Table E-5.--Red sweetheart roses: Net f.o.b. weighted-average selling prices and volume of domestic roses, 1/ by types of sales, and by selected stem lengths, quarterly January-March 1982-84, and annually 1982 and 1983 2/

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1/ Importers of Colombian roses reported a single sale of red sweetheart roses to wholesalers and no sales to retail florists. The single reported transaction was a spot market sale of 19,000 roses, 14-18 inches in stem length at 27 cents per bloom, in January-March 1984. Over 95 percent of imported Colombian roses are hybrid tea varieties.

2/ The price data were based on the net f.o.b. selling prices and quantities reported by domestic rose growers.

 $\frac{3}{D}$ Domestic rose growers did not report any consignment sales of the red sweetheart rose products to retail florists.

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

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	:		January	-March			:		January-D	ecember			
Type of sale, stem length, and period	Eastern	suppliers	Califo suppl	iers	: Other w : suppl	estern iers	Eastern	suppliers	Califo suppl	rnia : iers :	Other western suppliers		
	Price	Volume	Price	Volume	Price	Volume	Price	Volume	Price	Volume	Price	Volume	
	Per	: 1,000	Per	1,000	Per :	1,000	: <u>Per</u>	: 1,000	Per :	1,000	Per :	1,000	
6	: bloom	: blooms	<u>bloom</u> :	blooms	: <u>bloom</u> :	blooms	: bloom	: blooms	bloom :	blooms	: B100m :	010008	
Spot sales:	:	:	: :		: :	1	:	:	: :	:			
10-14 inches:	:	:	: :	:	:		:	:	: :		: :		
1982	: \$0.44	: 9:	: \$ 0.22 :	108	: \$0.31 :	243	: \$0.33	: 48 :	: \$0.13 :	511	: \$0.18 :	1,185	
1983	: .45	: 10	: .23 :	: 168	: .34 :	: 243	: .36	: 49	: .15 :	· 799	: .18 :	1,024	
1984	: .40	: 9	: .23 :	: 114	: .26 :	: 228	: -	: - :	: - :	-	::	-	
14-18 inches:	:	:	: :	:	: :	:	:	:	: :		: :		
1982	: .44	: 6 :	.23 :	1,151	: .33 :	: 200	: .29	: 26 :	: .16 :	4,388	: .19 ;	974	
1983	: .46	: 7	24	: 1.081	: . 37	: 217	: .32	: 27	: .17 :	4.139	: .22 :	885	
1984	: .49	: 7	.27	890		189	• •	• - •		-		-	
Consignment sales:	:	:	•		1 1		:	:			:		
10-14 inches:	:						•	•					
1982	• 43	• 65	. 28	61	• 21	. 38	. 30		. 19 -	289	17	174	
1983				67	• • • • • •			. 362		317	• 15	230	
1986				. 90				. 202	21 .	317	• • • • •	2.30	
14-18 inches:	: .40	. 45		: 00		27					• - •		
1000									. 10.	280	. 20	1 142	
1982	:	: 39		10	: .30	235		: 22/		207		1,142	
1903	: .0/	: 59	: .32 :	. 0/	: .39 :	: 29/	:	: 233	: .21 :	317	: .29 :	: 1,105	
1984	: .69	: 78	: .29 :	: 80	: .34	: 260	: -	: -	: -:	-	: -:		
Standing-order sales:	:	:	: :	8	: :		:	:	: :		: :	8	
10-14 inches:	:	:	:	:	:	:	:	:	: :		: :	8	
1982	: .33	ະ 1 :	: .28 :	: 127	: .53 :	: 48	: .24	: 7:	: .19 :	601	: .32 :	221	
1983	: .38	:: 2	: .31 :	: 142	: .53 :	: 58	: .28	: 8	: .21 :	663	: .37 :	: 139	
1984	:47	: 2	: .30 :	: 164	: .52 :	: 20	: -	: -:	: _ :	-	: - :	: -	
14-18 inches:	:	:	: :	:	: :	:	:	:	: :		: :	:	
1982	: .33	: 2	: .25 :	91	: .53 :	: 48	: .24	: 13 :	: .20 :	328	: .32 :	221	
1983	: .38	: 4	: .24 :	: 71	: .53 :	: 58	: .28	: 14	: .20 :	293	: .37	139	
1984	: .47	: 4	27 :	59	52	20	: -	: -:	:	_	: - :	-	
	:	1			:		1	:			:		
1/ The order date to		-					-	-			-		

Table E-6.--Red sweetheart roses to wholesalers: Net f.o.b. weighted-average selling prices and volume of domestic roses, by sources of domestic suppliers, by types of sales, and by selected stem lengths, quarterly January-March 1982-84, and annually 1982 an 1983 1/

1/ The price data were based on the net f.o.b. selling prices and quantities reported by domestic rose growers.

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

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•				Januar	y-March	-			:		_		January	-De	ecember				
Type of sale, stem in the stem in the second	Eastern	ទប	ppliers	: Calif : supp	ornia liers	:	Other W suppl	estern iers	E	astern	8u	ppliers	Cali sup	fo1 p11	nia lers	:	Other supp	lie:	tern rs
	Price	:	Volume	Price	Volume	:	Price	Volume	: 1	Price	:	Volume	Price	:	Volume	: P	rice	:_'	Volume
	Per bloom	:	1,000 blooms	: Per : bloom	: <u>1,000</u> : blooms	:	Per : bloom :	1,000 blooms	: : 1	Per bloom	:	1,000 : blooms :	Per bloom	:	1,000 blooms	: : b	Per loom	:]	1,000 blooms
Spot sales:		:		:	:	:	:		: -		:			:		: 7		: -	
10-14 inches:	:	:	:	:	:	:	.:		:		:	:		:		:		:	
1982	\$0.43	:	162 :	: \$0.07	: 73	:	\$0.34 :	49	:	\$0.35	:	810 :	\$0,06	:	408	:	\$0.27	:	257
1983	: .48	:	171	: .10	: 74	:	.35 :	61	:	. 36	:	848 :	.06	:	389	:	.28	:	324
1984:	. 56	:	153 :	: .10	: 66	:	.36 -:	63	:	-	:	- :	-	:	-	:	-	:	-
14-18 inches:	:	:	1	:	:	:	:		:		:	:		:		:		:	
1982:	.45	:	35 :	.26	: 111	:	.42 :	91	:	. 41	:	125 :	.16	:	615	:	. 36	:	522
1983	.53	:	45	: .28	: 111	:	.43 :	126	:	. 42	:	154 :	.16	:	584	:	.35	:	601
1984	.60	:	33 :	: .30	: 99	:	.41 :	120	:	_	:	-, :	_	:	_	:	-	:	-
Standing-order sales:		:		:	:	:	:		:		:	:	• .	:		:		:	
10-14 inches:	1	:	:	:	:	:	:	÷	:		:	:		:		:		:	
1982		:	75	: .07	: 73		- :	-	:	. 33	:	356 :	. 06		408	:	-	:	-
1983;	.37	:	75 :	: .10	: 74	:	- :	- :	:	. 34	:	365 :	.06	:	389	1	-	:	
1984		:	74	: .10	: 66	:	- :	·	:	-	:	- :	-	:	-	:	-	:	-
14-18 inches:		:			:		:		:			:						:	
1982	. 37	:	44	: .26	: 111	:	. 30 :	9	•	. 31	:	180 :	.16	:	615	:	.28	:	40
1983:	.41		47	.28	: 111		. 30 :	4		32		197 :	.16	÷	584	•	.26	•	18
1984	. 42		51	: .30	. 99		.30 :	5	:		:			4		:		:	-
		:				:			:		:	:		:	· · · · · · · · · · · · · · · · · · ·	:		:	

Table E-7.--Red sweetheart roses sold to retail florists: Net f.o.b. weighted-average selling prices and volume of domestic roses, by sources of domestic suppliers, by types of sales, 1/ and by selected stem lengths, quarterly January-March 1982-84, and annually 1982 and 1983 2/

 $\frac{1}{2}$ Domestic rose growers did not report any consignment sales of the red sweetheart rose products to retail florists. $\frac{1}{2}$ The price data were based on the net f.o.b. selling prices and quantities reported by domestic rose growers.

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

Table E-8.--Red hybrid tea roses: Indexes of net f.o.b. weighted-average selling prices of domestic and imported Colombian roses, by types of customers, by types of sales, and by selected stem lengths, quarterly January-March 1982-84, and annually 1982 and 1983 1/

:	Sales to wholesalers : Sales to retail : florists 2/					
Type of sale, stem : length, and period :	January-March :		January	January-December		January- December
	U.S.	:Colombian	: U.S.	:Colombian	: U.S. :	U.S.
:	roses	: roses	: roses	: roses	roses :	roses
· · · ·	Januar	y-March	:198	32-100	JanMar.:	1982-100
:	1982	=100	:	: /	:1982-100 :	<u></u>
Spot sales: :			:	: 1	: :	
18-22 inches: :		:	:	:	: :	•
1982:	100	: 100	: 100	: 100	: 100 :	100
1983:	93	: 104	: 100	: 94	: 98 :	102
1984:	107	: 88	: -	: -	: 100 :	· -
22-26 inches: :		:	:	:	: :	
1982:	100	: 100	: 100	: 100	: 100 :	100
1983:	93	: 95	: 108	: 89	: 102 :	102
1984:	.117	: 91	: -	: -	. 98	
26 inches and over: :		•	:	:		
1982:	100	: 100	: 100	: 100	. 100	100
1983:	111	: 111	: 111	. 93	104	105
1984:	120	: 104	: -	: -	: 102 :	-
Consignment sales: : 18-22 inches: :		:	: :	•		
1982:	100	: -	: 100		• - •	· _
1983:	107		: 104	3/		-
1984:	97	. 3/	: -			_
22-26 inches: :		: -/	:			
1982:	100		. 100			-
1983:	100		: 103	. 3/		-
1984:	92	: 3/	: -			-
26 inches and over: :		; =	:			
1982:	100		: 100		. – :	· · · · ·
1983:	. 111	-	: 106	: 3/		-
1984:	100	: 3/	: -	· · ·		-
Standing-order sales: :			:	:	:	
18-22 inches: :		:	:	•	•	•
1982:	100	: 100	: 100	: 100	: 100	100
1983:	111	: 103	: 107	: 106	: 96 :	100
1984:	100	: 106	: -	-	94	
22-26 inches: :		1 ·	:	. .	: ;	
1982:	100	: 100	: 100	: 100	: 100	100
1983:	114	: 105	: 106	: 105	: 100	101
1984:	109	: 105	: -	: -	: 93	
26 inches and over: :		:	1	:		
1982:	100	: 100	: 100	: 100	: 100	100
1983	108	: 105	: 109	: 105	: 95	100
1984	100	: 105	: -	: -	. 91	
		:	:	:		
•					-	

1/ Indexes were based on the net f.o.b. selling price data reported by domestic rose growers and by importers of Colombian roses.

2/ Importers of Colombian roses did not report any sales of the red hybrid tea rose products to retail florists. It is believed that the importers sell primarily to wholesale florists.

3/ Insufficient data to calculate indexes.

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

Table E-9.--Red hybrid tea roses sold to wholesalers: Indexes of net f.o.b. weighted-average selling prices of domestic roses, by sources of domestic suppliers, by types of sales, and by selected stem lengths, quarterly January-March 1982-84, and annually 1982 and 1983 <u>1</u>/

•

	January-March			January-December		
Type of sale, stem in the stem is a stem in the second sec	Eastern suppliers	California suppliers	Other western suppliers	Eastern suppliers	California suppliers	Other western suppliers
:	Januar	ry-March 1982	=100 :			
Spot sales: :		: :	· ·	· · · ·	: :	
18-22 inches: :		: :	:	: :	: :	
1982:	100	: 100 :	100 :	: 100 :	: 100 :	100
1983:	109	. 88 :	108 :	120 :	92 :	108
1984:	116	: 105 :	120			
22-26 inches: :						
1982	100	. 100 .	100	100	100	100
1983	105	. 100 .	100 .	110	10/	112
1994	112		124 :	110	104 :	
1904;	112		124	-		
20 inches and over: :	100	: :		100	100	100
1982:	100	: 100 :	100 :	100	. 100 :	100
1983:	93	: 114 :	.115 :	: 106 :	: 111 :	110
1984:	107	: 123 :	111 :		: -:	
Consignment sales: : 18-22 inches: :		: :	:			
1982:	100	: 100 :	100	100 :	: 100 :	100
1983:	111	: 112 :	96	110	108 :	100
1984:	112	105 :	90			
22-26 inches: :						
1982	100		100	100	100	100
1982:	. 07	· <u>100</u> ;	100 .	100 1	111	98
1094		. 112 .		104		20
1904:	. 94	105	92 :	-	-	-
26 inches and over: :		: :				
1982:	-	: 100 :	100 :		: 100 :	100
1983:	-	: 112 :	120 :		: 113 :	109
1984:		: 105 :	106 :		: -:	-
Standing-order sales: : 18-22 inches: :	:		:			
1982:	100	: 100 :	100 :	: 100 :	: 100 :	100
1983:	120	: 107 :	121 :	111 :	: 108 :	107
1984:	153	: 105 :	102 :	: - :	: -:	-
22-26 inches:		•	•			
1982:	-	100 :	100	_	100 :	100
1983:		108 •	143 :		107 •	109
1984	_ `	· 108 ·	127	-		-
26 Inches and over		. 100 .				
1092	100	100	100	100	100	100
1902:	100	. 100 :	100 1	100	. 100 :	100
1403:	120		104 :	111 :	113 :	104
1984:	123	102 :	30 :	. – :	- :	-

1/ Indexes were based on the net f.o.b. selling price data reported by domestic rose growers.

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

Type of sale, stem length, and period		January-March		January-December			
	Eastern suppliers	California suppliers	Other western suppliers	Eastern suppliers	California suppliers	Other western suppliers	
	Januar	January-March 1982=100 :			1982=100		
Spot sales: :		: :		:	: ;	:	
18-22 inches: :	:	: :		:	: :		
1982:	100.	: 100 :	100	: 100	: 100 :	100	
1983:	101 :	: 95 :	102	: 103	: 100 :	100	
1984:	108	: 89:	98	: -	: - :	· -	
22-26 inches: :	:	: :		:	: :	1	
1982:	100	: 100 :	100	: 100	: 100 :	100	
1983:	104	: 95 :	112	: 105	: 100 :	104	
1984:	110	: 90 :	108	: -	: - :		
26 inches and over: :		:		:	: :	1	
1982:	100	: 100 :	100	: 100	: 100	100	
1983:	108	95 :	108	: 107	: 104 :	106	
1984:	122	: 90 :	111	: -	; -	: -	
Standing-order sales: :		: :		:	:	•	
18-22 inches: :		: :		:	:		
1982:	100	100 :	100	: 100	: 100 ;	100	
1983:	101	: 95 :	98	: 106	: 100	: 100	
1984:	107	: 89 :	102	: -	: - :		
22-26 inches: :		: :		:	:		
1982:	. 100 :	: 100 :	100	: 100	: 100 :	: 100	
1983:	106	: 95 :	110	: 103	: 100 :	: 107	
1984:	118	90 :	107	: -	: - :		
26 inches and over: :		: :		:	:	:	
1982:	100	: 100 :	100	: 100	: 100 :	: 100	
1983:	105	. 95 :	120	: 106	: 104	113	
1984:	111	90 :	120			-	

Table E-10.--Red hybrid tea roses sold to retail florists: Indexes of net f.o.b. weightedaverage selling prices of domestic roses, by sources of domestic suppliers, by types of sales, 1/ and by selected stem lengths, quarterly January-March 1982-84, and annually 1982 and 1983 2/

1/ Domestic rose growers did not report any consignment sales of the red hybrid tea rose products to retail florists.

2/ Indexes were based on the net f.o.b. selling price data reported by domestic rose growers.

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

Table E-11.--Red sweetheart roses: Indexes of net f.o.b. weighted-average selling prices of domestic roses, 1/ by types of customers, by types of sales, and by selected stem lengths, quarterly January-March 1982-84, and annually 1982 and 1983 2/

	3 K.		· · · · · · · · · · · · · · · · · · ·		
: Type of sale, stem :	Sales to wh	olesalers	Sales to retail florists		
length, and period :	January- :	January-	: January- :	: January-	
	March :	December	: March :	December	
	<u>JanMar</u> . :		: JanMar. :		
· · · · · · · · · · · · · · · · · · ·	<u>1982=100</u> :	<u> 1982=100</u>	: <u>1982=100</u> :	<u>1982=100</u>	
Spot sales: :	. :		: :		
10-14 inches: :			:		
1982:	100 :	100	: 100 :	100	
1983:	107 :	100	: 113 :	104	
1984:	93 :	-	: 128 :	-	
14-18 inches: :	:		: :		
1982:	100 :	100	: 100 :	100	
1983:	104 :	113	: 111 :	104	
. 1984:	112 :	· · · · · · · · · · · · · · · · · · ·	: 111 :	·	
Consignment sales: :	:		:		
10-14 inches: :	:		:	•	
1982:	100 :	100	: - :		
1983:	109 :	100	: -:	. –	
1984:	100 :	-	: - :	· -	
14-18 inches: :	:		: :		
1982:	100 :	100	: - :		
1983:	127 :	100	: -:	· . –	
1984:	118 :		-:	. –	
Standing-order sales: :	•		:	*	
10-14 inches: :	:		:	· •]	
1982:	100 :	100	: 100 :	100	
1983:	109 :	109	: 104 :	106	
1984:	91 :		: 109 :	-	
14-18 inches: :			: :	•	
1982:	100 :	100	: 100 :	100	
1983:	109 :	104	: 110 :	105	
1984:	100 :		: 117 :	: -	
а. А					

1/ Importers of Colombian roses reported a single sale of red sweetheart roses to wholesalers and no sales to retail florists. Over 95 percent of imported Colombian roses are the hybrid tea varities.

2/ Indexes were based on the net f.o.b. selling price data reported by domestic rose growers.

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

1 1 1

Type of sale, stem length, and period Eastern : California: Western : Ea suppliers : suppliers : suppliers : suppliers : suppliers : Spot sales: : : : : : : : : : : : : : : : : : :	100 109 109 109 109 100 100	California suppliers 	Other western suppliers 100 100 -
: January-March 1982=100 : Spot sales: : : : 10-14 inches: : : : :	100 109 - 100 110	<u>1982=100</u>	100
Spot sales: : : : : : : : : : : : : : : : : : :	100 : 109 : - : 100 : 110 :	100 115 	100
10-14 inches: : : : :	100 109 - 100 110	100 : 115 : - : 100 :	100
	100 : 109 : - : 100 : 110 :	: 100 : : 115 : : - : : 100 :	100
1982: 100 : 100 : 100 :	109 : - : 100 : 110 :	115 : - : : 100 :	100
1983: 102 : 105 : 110 :	100 110	: – : : 100 :	· _
1984: 91 : 105 : 84 :	100 110	: 100 :	
14-18 inches: : : : :	100 : 110 :	: 100 :	
1982: 100 : 100 : 100 :	110 :		100
1983: 105 : 104 : 112 :		: 106 :	116
1984: 111 : 117 : 91 :	· · · · · · · · · · · · · · · · · · ·	: -:	-
Consignment sales: : : :	•	: :	
10-14 inches: : : : : :		: :	•
1982: 100 : 100 : 100 :	100 :	. 100 :	100
1983: 102 : 114 : 129 :	103	: 111 :	88
1984: 107 : 104 : 100 :	_ •		_
14-18 inches: : : : : :			
	100 -	. 100 .	100
	100 .	. 111 .	100
			-
Standing-order sales: : : : :			
10-14 inches:		•	
	100	. 100 .	. 100
	117 .	. 111 .	116
			-
14-18 inches:			
1992	100	100	100
	117	100	100
	11/ 3	100 1	110
1704	- :		-

Table E-12.--Red sweetheart roses sold to wholesalers: Indexes of net f.o.b. weighted-average selling prices of domestic roses, by sources of domestic suppliers, by types of sales, and by selected stem lengths, quarterly January-March 1982-84, and annually 1982 and 1983 1/

1/ Indexes were based on the net f.o.b. selling price data reported by domestic rose growers.

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

	J	January-March			January-December		
Type of sale, stem - length, and period :	Eastern suppliers	California suppliers	Other western suppliers	Eastern suppliers	California suppliers	Other western suppliers	
:	Januar	y-March 1982	=100	:	1982=100		
Spot sales: :		:		: :	:		
10-14 inches: :		:		: :	:		
1982:	100 :	100 :	100	: 100 :	100 :	100	
1983:	112 :	143 :	103	: 103 :	100 :	104	
1984:	130 :	143 :	106	: -:	- :	-	
14-18 inches: :		:	_	: :	:		
1982:	100 :	100 :	100	: 100 :	100 :	100	
1983:	118 :	108 :	102	: 102 :	100 :	97	
1984:	133 :	115 :	98	: -:	- :	-	
Standing-order sales: :		:		: :	:		
10-14 inches: :		:		: :	:		
1982:	100 :	100 :	-	: 100 :	100 :	_	
1983	97	143 :	-	: 103 :	100 :	-	
1984	100 :	143 :	-	• • •	- :	-	
14-18 inches: :	200 1						
1982:	100 :	100 :	100	: 100 :	100 :	100	
1983	111 :	108 :	100	: 103 :	100 :	93	
1984	114 :	115 :	100	· 105 ·	- :	-	
		:	100	: :	:		

Table E-13.--Red sweetheart roses sold to retail florists: Indexes of net f.o.b. weighted-average selling prices of domestic roses, by sources of domestic suppliers, by types of sales, 1/ and by selected stem lengths, quarterly January-March 1982-84, and annually 1982 and 1983 2/

1/ Domestic rose growers did not report any consignment sales of the red sweetheart rose products to retail florists.

2/ Indexes were based on the net f.o.b. selling price data reported by domestic rose growers.

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

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APPENDIX F

WEIGHTED-AVERAGE DELIVERED PURCHASE PRICES AND QUANTITIES BASED ON PRICE DATA REPORTED BY DOMESTIC PURCHASERS

Table F-1.--Wholesaler's delivered purchase prices for spot market purchases of red hybrid tea roses: Net weighted-average purchase prices of domestic and imported Colombian roses, by purchaser market areas, by selected stem lengths, and by quarters, January 1982-March 1984

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Table F-2.--Quantities of wholesalers' spot-market purchases of red hybrid tea roses: Quantities of domestic and imported Colombian roses, by purchaser market areas, by selected stem lengths, and by quarters, January 1982-March 1984

Table F-3.--Wholesalers' delivered purchase prices for standing-order purchases of red hybrid tea roses: Net weighted-average purchase prices of domestic and imported Colombian roses, by purchaser market areas, by selected stem lengths, and by quarters, January 1982-March 1984

Table F-4.--Quantities of wholesalers' standing-order purchases of red hybrid tea roses: Quantities of domestic and imported Colombian roses, by purchaser market areas, by selected stem lengths, and by quarters, January 1982-March 1984

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Table F-5.--Retail florists' delivered purchase prices for spot-market purchases of red hybrid tea roses: Net weighted-average purchase prices of domestic and imported Colombian roses, by purchaser market areas, by selected stem lengths, and by quarters, January 1982-March 1984

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Table F-6.--Quantities of retail florists' spot-market purchases of red hybrid tea roses: Quantities of domestic and imported Colombian roses, by purchaser market areas, by selected stem lengths, and by quarters, January 1982-March 1984

Table F-7.--Retail florists' delivered purchase prices for standing-order purchases of red hybrid tea roses: Net weighted-average purchase prices of domestic and imported Colombian roses, by purchaser market areas, by selected stem lengths, and by quarters, January 1982-March 1984

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Table F-8.--Quantities of retail florists' standing-order purchases of red hybrid tea roses: Quantities of domestic and imported Colombian roses, by purchaser market areas, by selected stem lengths, and by quarters, January 1982-March 1984

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Table F-9.--Mass merchandisers' delivered purchase prices for spot-market purchases of red hybrid tea roses: Net weighted-average purchase prices of domestic and imported Colombian roses, by purchaser market areas, by selected stem lengths, and by quarters, January 1982-March 1984

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Table F-10.--Quantities of mass merchandisers' spot-market purchases of red hybrid tea roses: Quantities of domestic and imported Colombian roses, by purchaser market areas, by selected stem lengths, and by quarters, January 1982-March 1984

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Table F-11.--Mass merchandisers' delivered purchase prices for standing-order purchases of red hybrid tea roses: Net weighted-average purchase prices of imported Colombian roses, by purchaser market areas, by selected stem lengths, and by quarters, January 1982-March 1984 <u>1</u>/

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Table F-12.--Quantities of mass merchandisers' standing-order purchases of red hybrid tea roses: Quantities of imported Colombian roses, by purchaser market areas, by selected stem lengths, and by quarters, January 1982-March 1984 <u>1</u>/

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APPENDIX G

DISCUSSION OF INFORMATION CONCERNING COMPETITION BETWEEN DOMESTIC AND IMPORTED COLOMBIAN ROSES IN THE U.S. MARKET, WHICH WAS REPORTED BY PURCHASERS THAT SUPPLIED PRICE COMPARISON DATA

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Wholesale florists

The eight wholesale florists that reported price-comparison data also reported information concerning competition between domestic and imported Colombian roses in the U.S. market. In terms of the quality of domestic versus imported Colombian roses, the responding wholesalers reported mixed experiences. Larger bud size and a greater number of petals were factors cited most frequently as favoring the Colombian roses, whereas a thinner stem and generally better quality were cited as favoring the domestic roses. On the issue of whether Colombian roses supplemented or substituted for domestic roses, these wholesalers stated that they had purchased Colombian roses generally in addition to their purchases of domestic roses. The two most frequently cited reasons for buying Colombian roses were to fill shortfalls in the availability of domestic roses during peak periods and to satisfy demand for quality roses at a price generally not available from domestic growers. In commenting on the impact of Colombian roses in their market areas, these wholesalers generally reported that Colombian roses have forced domestic growers to improve their quality, increased the supply of roses in the U.S. market, and led to lower prices for roses than would have occurred otherwise.

Retail florists

Eleven of the 12 retail florists that reported price-comparison data also reported information concerning competition between domestic and imported Colombian roses in the U.S. market. In terms of the quality of domestic versus imported Colombian roses, the 11 responding retail florists generally reported that domestic roses, especially those grown locally, were better in guality than Colombian roses. Product characteristics cited most often as favoring domestic roses were thinner stems, fewer bruised petals, longer shelf-life, fewer bent-neck problems, and wider opening buds. On the issue of whether Colombian roses supplemented or substituted for domestic roses, these retail florists reported purchase patterns that differed from one area to another. In the Atlanta area, the five responding retail florists reported buying Colombian roses generally instead of domestic roses. Two frequently cited reasons for buying Colombian roses were lower price and better quality. In the Boston area, one of the two responding retail florists reported buying Colombian roses generally in addition to domestic roses, but the other retail florist reported that he did not buy Colombian roses. In the Philadelphia area, one of the four responding retail florists reported buying Colombian roses generally instead of domestic roses and cited lower price as the principal reason. Another of the four retail florists reported buying Colombian roses generally in addition to domestic roses, but the remaining two florists reported that they did not buy any Colombian roses. In the Boston and Philadelphia areas, the retail florists which bought Colombian roses in

addition to domestic roses did so because of shortfalls in domestic supply or because domestic roses were off-crop. In responding to the impact of Colombian roses in their market areas, these retail florists generally reported that Colombian roses led to lower rose prices than would have occurred otherwise, and such roses increased sales because of the generally better quality of the imported roses compared with the quality of California roses.

Retail mass merchandisers

Three of the four retail mass merchandisers that reported the pricecomparison data, also reported information concerning competition between domestic and imported Colombian roses in the U.S. market. In terms of the quality of domestic versus imported Colombian roses, all three responding retail mass merchandisers reported that domestic roses were generally better in quality than Colombian roses. Product characteristics cited most often as favoring domestic roses were thinner stems, fewer bent-neck problems, and wider opening buds. On the issue of whether Colombian roses supplemented or substituted for domestic roses, all three respondents reported buying Colombian roses in addition to domestic roses. Shortfalls in domestic supply were cited as the principal reason for buying the Colombian roses. In commenting on the impact of Colombian roses in their market areas, the responding retail mass merchandisers reported mixed experiences. In the Boston area, one of the two responding retail mass merchandisers stated that Colombian roses led to lower prices, but the other repondent stated that, during the last year, prices of Colombian roses were generally greater than prices of domestic roses. In the Dallas/Fort Worth area, the single responding retail mass merchandiser reported that Colombian roses have had little impact.