

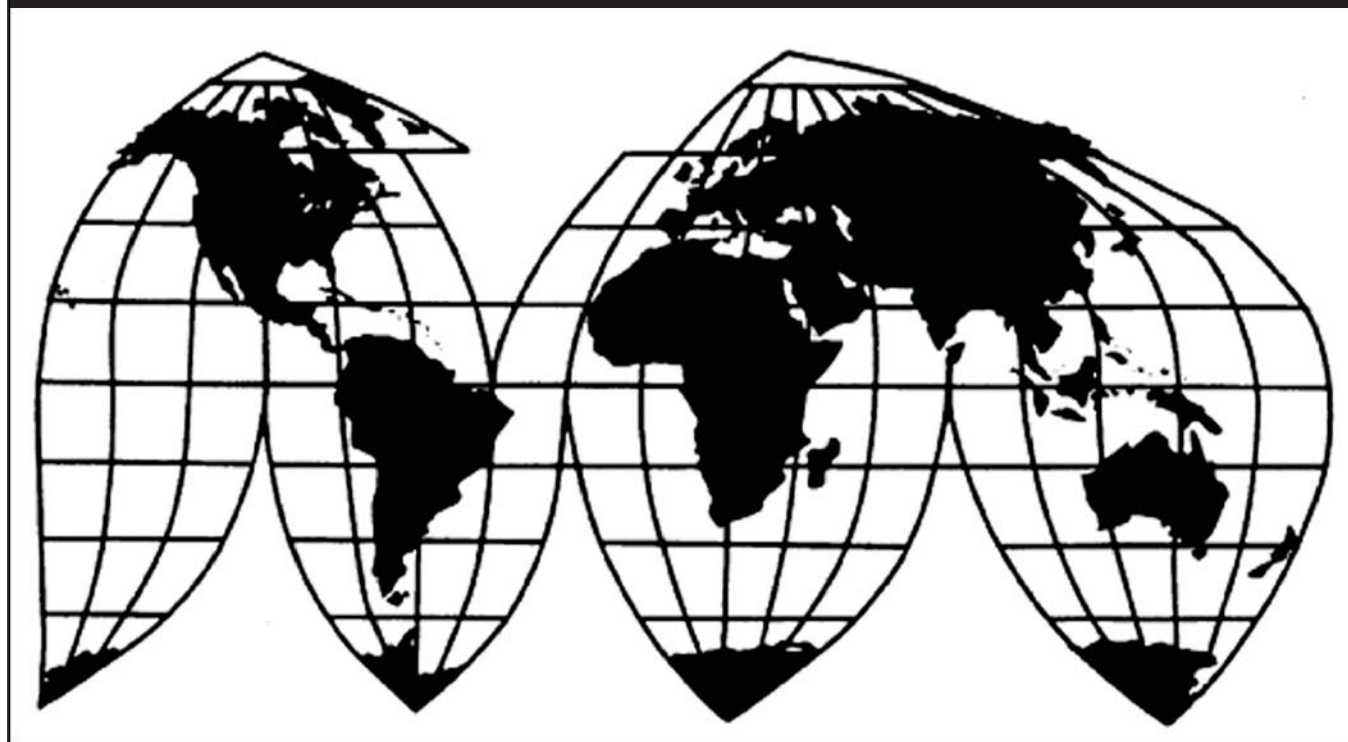
Fresh Garlic from China

Investigation No. 731-TA-683 (Fourth Review)

Publication 4735

October 2017

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation No. 731-TA-683 (Fourth Review)

Fresh Garlic from China

DETERMINATION

On the basis of the record¹ developed in the subject five-year review, the United States International Trade Commission (“Commission”) determines, pursuant to the Tariff Act of 1930 (“the Act”), that revocation of the antidumping duty order on fresh garlic from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

BACKGROUND

The Commission, pursuant to section 751(c) of the Act (19 U.S.C. 1675(c)), instituted this review on April 3, 2017 (82 F.R. 16223) and determined on July 7, 2017 that it would conduct an expedited review (82 F.R. 37237, August 9, 2017).

The Commission made this determination pursuant to section 751(c) of the Act (19 U.S.C. 1675(c)). It completed and filed its determination in this review on October 19, 2017. The views of the Commission are contained in USITC Publication 4735 (October 2017), entitled *Fresh Garlic from China: Investigation No. 731-TA-683 (Fourth Review)*.

¹ The record is defined in sec. 207.2(f) of the Commission’s Rules of Practice and Procedure (19 CFR 207.2(f)).

Views of the Commission

Based on the record in this five-year review, we determine under section 751(c) of the Tariff Act of 1930, as amended (“the Tariff Act”), that revocation of the antidumping duty order on fresh garlic from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

I. Background

Original investigation: In response to a petition filed by the Fresh Garlic Producers Association (“FGPA”) on January 31, 1994, the Commission determined on November 7, 1994, that an industry in the United States producing fresh garlic was materially injured by reason of imports of fresh garlic from China that were sold in the United States at less than fair value (“LTFV”).¹ On November 16, 1994, the U.S. Department of Commerce (“Commerce”) issued an antidumping duty order on imports of fresh garlic from China.²

Prior reviews: In December 1999, February 2006, and September 2011, the Commission instituted its first, second, and third five-year reviews, respectively, of the antidumping duty order on fresh garlic from China.³ The Commission determined in each of those reviews that revocation of the antidumping duty order on fresh garlic from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a

¹ *Fresh Garlic from the People’s Republic of China*, Inv. No. 731-TA-683 (Final), USITC Pub. 2825 (Nov. 1994) (“Original Determination”) at I-27. The Commission also determined that the domestic dehydrated garlic and domestic seed garlic industries were neither materially injured nor threatened with material injury by reason of LTFV imports. *Id.* at I-28 to I-29.

² 59 Fed. Reg. 59209 (Nov. 16, 1994).

³ 64 Fed. Reg. 67315 (Dec. 1, 1999) (first review); 71 Fed. Reg. 5374 (Feb. 1, 2006) (second review); 76 Fed. Reg. 54487 (Sept. 1, 2011) (third review).

In the first five-year review, the Commission determined that the domestic interested party group response and the respondent interested party group response to the notice of institution (which consisted of a joint response by five Chinese exporters of fresh garlic) were adequate and conducted a full review. *Fresh Garlic from China*, Inv. No. 731-TA-683 (First Review), USITC Pub. 3393 (Feb. 2001) at Appendix A (*Federal Register* Notices and Commission Determination on Adequacy) (“First Five-Year Review”).

In the second and third five-year reviews, no respondent interested party responded to the notice of institution, and the Commission determined to conduct expedited reviews. *Fresh Garlic from China*, Inv. No. 731-TA-683 (Second Review), USITC Pub. 3886 (Sept. 2006) at Appendix A (*Federal Register* Notices and the Commission’s Statement on Adequacy) (“Second Five-Year Review”); *Fresh Garlic from China*, Inv. No. 731-TA-683 (Third Review), USITC Pub. 4316 (April 2012) at Appendix B (Statement on Adequacy) (“Third Five-Year Review”).

reasonably foreseeable time.⁴ Following the third five-year review, Commerce published its most recent notice of continuation of the antidumping duty order on May 14, 2012.⁵

Current review: On April 3, 2017, the Commission instituted the instant five-year review.⁶ The FGPA and four individual U.S. producers of fresh garlic jointly responded to the notice of institution.⁷ On July 7, 2017, the Commission determined that the domestic interested party group response to its notice of institution was adequate.⁸ The Commission did not receive a response from any respondent interested party and determined that the respondent interested party group response to the notice of institution was inadequate.⁹ The Commission did not find any circumstances that would warrant conducting a full review and determined that it would conduct an expedited review pursuant to section 751(c)(3) of the Tariff Act.¹⁰ On September 20, 2017, the domestic interested parties filed comments with the Commission pursuant to 19 C.F.R. § 207.62(d).¹¹

U.S. industry data are based on information submitted by the four responding domestic producers in their response to the notice of institution. These producers estimate that they accounted for *** percent of domestic production of fresh garlic in 2016.¹² U.S. import data and related information are based on Commerce's official import statistics. Foreign industry data and related information are based on information from the original investigation and prior reviews, as well as available information submitted by domestic interested parties in this expedited review and publicly available information, such as Global Trade Atlas data, gathered by staff.

⁴ First Five-Year Review, USITC Pub. 3393 at 13; Second Five-Year Review, USITC Pub. 3886 at 15; Third Five-Year Review, USITC Pub. 4316 at 16.

⁵ 77 Fed. Reg. 28355 (May 14, 2012).

⁶ 82 Fed. Reg. 16223 (April 3, 2017). Commerce initiated its five-year review on the same date. 82 Fed. Reg. 16159 (April 3, 2017). It issued the results of its expedited review thereafter. 82 Fed. Reg. 36752 (Aug. 7, 2017).

⁷ Response of the FGPA and Christopher Ranch L.L.C. ("Christopher Ranch"); The Garlic Company; Valley Garlic, Inc. ("Valley Garlic"); and Vessey and Company, Inc. ("Vessey") (jointly "Domestic Interested Parties") (May 2, 2017) ("Domestic Interested Parties' Response") at 1.

⁸ Explanation of Commission Determination on Adequacy, EDIS Doc. 617076 (July 13, 2017).

⁹ Explanation of Commission Determination on Adequacy.

¹⁰ Explanation of Commission Determination on Adequacy. Vice Chairman Johanson voted to conduct a full review. *Id.*

¹¹ Domestic Industry's Comments Regarding the Commission's Determination in This Review, EDIS Doc. 623466 (Sept. 20, 2017) ("Domestic Interested Parties' Expedited Review Comments").

¹² Confidential Report, Memorandum INV-PP-081 (June 26, 2017) as revised by Memorandum INV-PP-122 (September 20, 2017), EDIS Doc. 623490, and by Memorandum INV-PP-130 (September 26, 2017), EDIS Doc. 624033 ("CR") at Table I-1; Public Report, *Fresh Garlic from China*, Inv. No. 731-TA-683 (Fourth Review), USITC Pub. 4735 (Oct. 2017) ("PR") at Table I-1. Unless otherwise noted, all references to a year reflect the crop year for fresh garlic, extending from June through May (e.g., crop year 2016 ended in May 2016). See Original Determination, USITC Pub. 2825 at I-20 n.105; Domestic Interested Parties' Response at 15.

II. Domestic Like Product and Industry

A. Domestic Like Product

In making its determination under section 751(c) of the Tariff Act, the Commission defines the “domestic like product” and the “industry.”¹³ The Tariff Act defines “domestic like product” as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle.”¹⁴ The Commission’s practice in five-year reviews is to examine the domestic like product definition from the original investigation and consider whether the record indicates any reason to revisit the prior findings.¹⁵

Commerce has defined the imported merchandise within the scope of the order under review as follows:

all grades of garlic, whole or separated into constituent cloves, whether or not peeled, fresh, chilled, frozen, provisionally preserved, or packed in water or other neutral substance, but not prepared or preserved by the addition of other ingredients or heat processing. The differences between grades are based on color, size, sheathing, and level of decay.

The scope of the order does not include the following: (a) Garlic that has been mechanically harvested and that is primarily, but not exclusively, destined for non-fresh use; or (b) garlic that has been specially prepared and cultivated prior to planting and then harvested and otherwise prepared for use as seed.

The subject merchandise is used principally as a food product and for seasoning. The subject garlic is currently classifiable under subheadings 0703.20.0000, 0703.20.0005, 0703.20.0015, 0703.20.0010, 0703.20.0020, 0703.20.0090, 0710.80.7060, 0710.80.9750, 0711.90.6000, 0711.90.6500, 2005.90.9500, 2005.90.9700 and 2005.99.9700 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of the order is dispositive. In order to be excluded from the antidumping duty order, garlic entered under the HTSUS subheadings listed above that is (1) mechanically harvested and primarily, but not exclusively, destined for non-fresh use or (2) specially prepared and cultivated prior to planting and then har-

¹³ 19 U.S.C. § 1677(4)(A).

¹⁴ 19 U.S.C. § 1677(10); see, e.g., *Cleo Inc. v. United States*, 501 F.3d 1291, 1299 (Fed. Cir. 2007); *NEC Corp. v. Department of Commerce*, 36 F. Supp. 2d 380, 383 (Ct. Int’l Trade 1998); *Nippon Steel Corp. v. United States*, 19 CIT 450, 455 (1995); *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int’l Trade 1996); *Torrington Co. v. United States*, 747 F. Supp. 744, 748–49 (Ct. Int’l Trade 1990), *aff’d*, 938 F.2d 1278 (Fed. Cir. 1991); see also S. Rep. No. 249, 96th Cong., 1st Sess. 90–91 (1979).

¹⁵ See, e.g., *Internal Combustion Industrial Forklift Trucks from Japan*, Inv. No. 731-TA-377 (Second Review), USITC Pub. 3831 at 8–9 (Dec. 2005); *Crawfish Tail Meat from China*, Inv. No. 731-TA-752 (Review), USITC Pub. 3614 at 4 (July 2003); *Steel Concrete Reinforcing Bar from Turkey*, Inv. No. 731-TA-745 (Review), USITC Pub. 3577 at 4 (Feb. 2003).

vested and otherwise prepared for use as seed must be accompanied by declarations to U.S. Customs and Border Protection to that effect.¹⁶

The scope is unchanged from the original order except for the addition of replacement HTS statistical reporting numbers. Fresh garlic is used in the preparation of other foods, especially to impart flavor to meats, vegetables, stews, soups, and sauces.¹⁷ Fresh garlic may be used fresh or cooked and whole (such as in baked garlic) or in cloves.¹⁸ In such instances, it is valued for its appearance and flavor.¹⁹ It may also be used in chopped or pureed form.²⁰ In normal industry practice, fresh garlic is sorted and packed according to size, ranging from 1½ inches in diameter, in ¼-inch increments, to 2¾ inches or more.²¹ U.S. standards designate fresh garlic as either U.S. Department of Agriculture (“USDA”) Grade No. 1 or unclassified.²²

In the original investigation, the Commission found three separate domestic like products consisting of fresh garlic, dehydrated garlic, and seed garlic, corresponding with the broader scope of the original investigation.²³ The Commission found that there were pronounced differences in the uses for the three types of garlic, actual practice indicated that the products were not interchangeable, the three types of garlic did not share channels of distribution, customer and producer perceptions were different for the three different types of garlic, there was virtually no overlap between producers of fresh and dehydrated garlic and therefore no overlap in production facilities or employees, and fresh garlic prices were considerably higher than prices for either dehydrated or seed garlic.²⁴ The Commission determined that the domestic fresh garlic industry in the United States was materially injured by reason of subject imports of fresh garlic from China and that the domestic dehydrated garlic and domestic seed garlic industries were neither materially injured nor threatened with material injury by reason of the relevant subject imports.²⁵

In light of the Commission’s determination in the original investigation, the antidumping duty order covered only fresh garlic.²⁶ In the full first five-year review, the Commission defined the domestic like product to be fresh garlic.²⁷ The Commission found no new information on

¹⁶ *Fresh Garlic from the People’s Republic of China: Final Results of Fourth Expedited Sunset Review of the Antidumping Duty Order*, 82 Fed. Reg. 36752 (Aug. 7, 2017).

¹⁷ Original Determination, USITC Pub. 2825 at II-7.

¹⁸ Original Determination, USITC Pub. 2825 at II-7.

¹⁹ Original Determination, USITC Pub. 2825 at II-7.

²⁰ Original Determination, USITC Pub. 2825 at II-7.

²¹ CR at I-8, PR at I-6.

²² CR at I-8, PR at I-6.

²³ Original Determination, USITC Pub. 2825 at I-12.

²⁴ Original Determination, USITC Pub. 2825 at I-10, I-13 to I-14, and I-17 to I-18.

²⁵ Original Determination, USITC Pub. 2825 at I-23 n.136, I-24 n.144, I-28 to I-29. Commerce narrowed its scope later to cover only fresh garlic to conform to the Commission’s affirmative determination with respect only to fresh garlic. 59 Fed. Reg. 59209 (Nov. 16, 1994).

²⁶ 59 Fed. Reg. 59209 (Nov. 16, 1994).

²⁷ First Five-Year Review, USITC Pub. 3393 at 6.

the record that suggested a reason for departing from the original definition of fresh garlic as a distinct domestic like product, noting as in the original determination the extremely limited, if any, overlap among fresh garlic, dehydrated garlic, and seed garlic.²⁸

In the expedited second and third five-year reviews, the Commission defined the domestic like product in the same manner that it did in the first review.²⁹ In the second and third five-year reviews, it stated that no party had argued for a different domestic like product definition and that there was no new information obtained during the respective five-year reviews that suggested a reason for departing from the Commission's prior definition of the domestic like product.³⁰

In this fourth five-year review, the domestic interested parties assert that the Commission should define the domestic like product in the same manner as it did in the prior proceedings.³¹ There is no indication in the record that the pertinent characteristics of fresh garlic have changed since the prior proceedings.³² Consequently, for the reasons articulated in the prior reviews, we define the domestic like product as all fresh garlic, coextensive with Commerce's scope.

B. Domestic Industry

Section 771(4)(A) of the Tariff Act defines the relevant industry as the domestic “producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product.”³³ In defining the domestic industry, the Commission’s general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.

In the original investigation, consistent with its domestic like product definition, the Commission defined three separate domestic industries, consisting of all domestic producers of each respective like product.³⁴ In the three prior reviews, the Commission defined the domestic industry as all producers of fresh garlic consistent with its domestic like product definition.³⁵ In

²⁸ First Five-Year Review, USITC Pub. 3393 at 6. In the first five-year review, respondents argued for the first time at the hearing and in their posthearing briefs that dehydrated and seed garlic should be included in the definition of the like product. First Five-Year Review, USITC Pub. 3393 at 5–6.

²⁹ Second Five-Year Review, USITC Pub. 3886 at 5; Third Five-Year Review, USITC Pub. 4316 at 5.

³⁰ Second Five-Year Review, USITC Pub. 3886 at 5; Third Five-Year Review, USITC Pub. 4316 at 5.

³¹ Domestic Interested Parties’ Response at 24; Domestic Interested Parties’ Expedited Review Comments at 3–4.

³² See *generally* CR at I-7 to I-13, PR at I-5 to I-10.

³³ 19 U.S.C. § 1677(4)(A). The definitions in 19 U.S.C. § 1677 are applicable to the entire subtitle containing the antidumping and countervailing duty laws, including 19 U.S.C. §§ 1675 and 1675a. See 19 U.S.C. § 1677.

³⁴ Original Determination, USITC Pub. 2825 at I-15.

³⁵ First Five-Year Review, USITC Pub. 3393 at 6; Second Five-Year Review, USITC Pub. 3886 at 6; Third Five-Year Review, USITC Pub. 4316 at 5.

this review, the domestic interested parties state that they agree with this definition.³⁶ The record of this review contains no information that any domestic producer is a related party, and there are no other domestic industry issues.³⁷ Accordingly, we again define the domestic industry as all U.S. producers of fresh garlic.

III. Revocation of the Antidumping Duty Order Would Likely Lead to Continuation or Recurrence of Material Injury Within a Reasonably Foreseeable Time

A. Legal Standards

In a five-year review conducted under section 751(c) of the Tariff Act, Commerce will revoke an antidumping or countervailing duty order unless: (1) it makes a determination that dumping or subsidization is likely to continue or recur and (2) the Commission makes a determination that revocation of the antidumping or countervailing duty order “would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.”³⁸ The Uruguay Round Agreements Act Statement of Administrative Action (SAA) states that “under the likelihood standard, the Commission will engage in a counterfactual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports.”³⁹ Thus, the likelihood standard is prospective in nature.⁴⁰ The U.S. Court of International Trade has found that “likely,” as used in the five-year review provisions of the Tariff Act, means “probable,” and the Commission applies that standard in five-year reviews.⁴¹

³⁶ Domestic Interested Parties’ Response at 24; Domestic Interested Parties’ Expedited Review Comments at 3–4.

³⁷ In its response to the notice of institution, the domestic interested parties state that Christopher Ranch, The Garlic Company, Valley Garlic, and Vessey are not importers of subject merchandise from China and are not related to any importer or exporter of fresh garlic from China. Domestic Interested Parties’ Response at 12.

³⁸ 19 U.S.C. § 1675a(a).

³⁹ SAA, H.R. Rep. 103-316, vol. I at 883–84 (1994). The SAA states that “{t}he likelihood of injury standard applies regardless of the nature of the Commission’s original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed.” *Id.* at 883.

⁴⁰ While the SAA states that “a separate determination regarding current material injury is not necessary,” it indicates that “the Commission may consider relevant factors such as current and likely continued depressed shipment levels and current and likely continued {sic} prices for the domestic like product in the U.S. market in making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked.” SAA at 884.

⁴¹ See *NMB Singapore Ltd. v. United States*, 288 F. Supp. 2d 1306, 1352 (Ct. Int’l Trade 2003) (“‘likely’ means probable within the context of 19 U.S.C. § 1675(c) and 19 U.S.C. § 1675a(a)”), *aff’d* (Continued...)

The statute states that “the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time.”⁴² According to the SAA, a “‘reasonably foreseeable time’ will vary from case-to-case, but normally will exceed the ‘imminent’ timeframe applicable in a threat of injury analysis in original investigations.”⁴³

Although the standard in a five-year review is not the same as the standard applied in an original investigation, it contains some of the same fundamental elements. The statute provides that the Commission is to “consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated.”⁴⁴ It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order or the suspension agreement under review, whether the industry is vulnerable to material injury if an order is revoked or a suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).⁴⁵ The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission’s determination.⁴⁶

In evaluating the likely volume of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.⁴⁷ In doing so, the Commission must consider “all relevant economic factors,” including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the

(...Continued)

mem., 140 Fed. Appx. 268 (Fed. Cir. 2005); *Nippon Steel Corp. v. United States*, 26 CIT 1416, 1419 (2002) (same); *Usinor Industeel, S.A. v. United States*, 26 CIT 1402, 1404 nn.3, 6 (2002) (“more likely than not” standard is “consistent with the court’s opinion;” “the court has not interpreted ‘likely’ to imply any particular degree of ‘certainty’”); *Indorama Chemicals (Thailand) Ltd. v. United States*, 26 CIT 1059, 1070 (2002) (“standard is based on a likelihood of continuation or recurrence of injury, not a certainty”); *Usinor v. United States*, 26 CIT 767, 794 (2002) (“‘likely’ is tantamount to ‘probable,’ not merely ‘possible’”).

⁴² 19 U.S.C. § 1675a(a)(5).

⁴³ SAA at 887. Among the factors that the Commission should consider in this regard are “the fungibility or differentiation within the product in question, the level of substitutability between the imported and domestic products, the channels of distribution used, the methods of contracting (such as spot sales or long-term contracts), and lead times for delivery of goods, as well as other factors that may only manifest themselves in the longer term, such as planned investment and the shifting of production facilities.” *Id.*

⁴⁴ 19 U.S.C. § 1675a(a)(1).

⁴⁵ 19 U.S.C. § 1675a(a)(1). Commerce has not made any duty absorption findings concerning imports of fresh garlic from China. CR at I-16, PR at I-12.

⁴⁶ 19 U.S.C. § 1675a(a)(5). Although the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

⁴⁷ 19 U.S.C. § 1675a(a)(2).

existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.⁴⁸

In evaluating the likely price effects of subject imports if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to the domestic like product and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product.⁴⁹

In evaluating the likely impact of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to the following: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.⁵⁰ All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry. As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the orders under review and whether the industry is vulnerable to material injury upon revocation.⁵¹

No respondent interested party participated in this expedited review. The record, therefore, contains limited new information with respect to the fresh garlic industry in China. There also is limited information on the fresh garlic market in the United States during the period of review. Accordingly, for our determination, we rely as appropriate on the facts available from the original investigation and prior reviews and the limited new information on the record in this fourth five-year review.

⁴⁸ 19 U.S.C. § 1675a(a)(2)(A–D).

⁴⁹ See 19 U.S.C. § 1675a(a)(3). The SAA states that “[c]onsistent with its practice in investigations, in considering the likely price effects of imports in the event of revocation and termination, the Commission may rely on circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices.” SAA at 886.

⁵⁰ 19 U.S.C. § 1675a(a)(4).

⁵¹ The SAA states that in assessing whether the domestic industry is vulnerable to injury if the order is revoked, the Commission “considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they may also demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports.” SAA at 885.

B. Conditions of Competition and the Business Cycle

In evaluating the likely impact of the subject imports on the domestic industry if an order is revoked, the statute directs the Commission to consider all relevant economic factors “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”⁵² The following conditions of competition inform our determinations.

1. Demand Conditions

In the original determination and each of the three prior five-year reviews, the Commission found that apparent U.S. consumption of fresh garlic increased steadily.⁵³ In the third review, the Commission observed that the largest increase in apparent consumption occurred between 2000 and 2005 and that apparent consumption was *** percent higher in 2011 than in 2005.⁵⁴ In this review, the record indicates that apparent U.S. consumption in 2016 was *** pounds, which was higher than in the original investigation or any prior review and *** percent greater than in 2011.⁵⁵

2. Supply Conditions

The Commission made several observations regarding supply conditions in the original investigation and prior reviews, as follows. Garlic is a seasonal crop; once a garlic crop has been planted, it takes nine months for the crop to be ready for harvesting.⁵⁶ The domestic industry planted its crop in the fall and harvested it in June and July of the following year, and therefore

⁵² 19 U.S.C. § 1675a(a)(4).

⁵³ During the original investigation, apparent U.S. consumption increased from 85.6 million pounds in 1991 to 180 million pounds in 1994. Original Determination, USITC Pub. 2825 at Table C-3. During the full first five-year review, apparent U.S. consumption increased from 161 million pounds in 1998 to 186 million pounds in 2000. First Five-Year Review, USITC Pub. 3393 at Table C-1. During the expedited second five-year review, apparent U.S. consumption was *** pounds in 2005. Confidential Second Five-Year Review Determination, EDIS Doc. 613771 at 13; Second Five-Year Review, USITC Pub. 3886 at 10. During the expedited third five-year review, apparent U.S. consumption was *** pounds in 2011. Confidential Third Five-Year Review Determination, EDIS Doc. 613773 at 8; Third Five-Year Review, USITC Pub. 4316 at 8.

The increase during the first five-year review period was primarily in the food service sector. First Five-Year Review, USITC Pub. 3393 at 10. The determinations in the expedited second and third five-year reviews did not specify any contributory factors for the increases in apparent U.S. consumption during those review periods.

⁵⁴ Confidential Third Five-Year Review Determination at 8; Third Five-Year Review, USITC Pub. 4316 at 8.

⁵⁵ CR/PR at Table I-5; Confidential Third Five-Year Review Determination at 8; Third Five-Year Review, USITC Pub. 4316 at 8.

⁵⁶ Original Determination, USITC Pub. 2825 at I-19 to I-20; First Five-Year Review, USITC Pub. 3393 at 9; Second Five-Year Review, USITC Pub. 3886 at 9; Third Five-Year Review, USITC Pub. 4316 at 8.

supplied the market during the late summer and early autumn months.⁵⁷ Garlic from China was planted slightly earlier than domestically produced garlic and sold in the U.S. market during the last six months of the year, and thus directly competed with the domestic like product.⁵⁸ However, because the growing season for nonsubject imports of fresh garlic from Argentina, Chile, and Mexico differed from that for domestically produced garlic, nonsubject imports of fresh garlic were predominantly present in the U.S. market during the winter or spring months of the year.⁵⁹

In the original investigation and the prior reviews, the Commission observed that the seasonal nature of the garlic crop had been moderated somewhat due to increased use of cold-storage and controlled atmosphere storage facilities.⁶⁰ The Commission found that one-third of the U.S. fresh garlic crop was stored using one of these two methods.⁶¹ The Commission also observed that cold-storage facilities had become more commonplace in China.⁶²

In this review, the domestic interested parties assert that many of these supply conditions continue to be applicable. In particular, the record reflects that domestically produced garlic continues to be a seasonal crop planted in the fall, harvested in June and July of the following year, and marketed during the late summer and early autumn months; garlic from China is planted slightly earlier and sold in the U.S. market during the last six months of the year, competing directly with the domestic like product.⁶³ Similarly, unlike subject imports, nonsubject imports of fresh garlic continue to be predominantly present in the U.S. market during the winter or spring months of the year, owing to a difference in the growing season.⁶⁴ The record also reflects the use of cold-storage and controlled atmosphere storage facilities domestically and in China.⁶⁵

During the original investigation, the volume of domestic producers' domestic shipments of fresh garlic increased each year, from 42.3 million pounds in 1991 to 82.1 million

⁵⁷ Original Determination, USITC Pub. 2825 at I-19; First Five-Year Review, USITC Pub. 3393 at 9; Second Five-Year Review, USITC Pub. 3886 at 9; Third Five-Year Review, USITC Pub. 4316 at 8.

⁵⁸ Original Determination, USITC Pub. 2825 at I-20; First Five-Year Review, USITC Pub. 3393 at 10; Second Five-Year Review, USITC Pub. 3886 at 9; Third Five-Year Review, USITC Pub. 4316 at 8.

⁵⁹ Original Determination, USITC Pub. 2825 at I-19; First Five-Year Review, USITC Pub. 3393 at 9; Second Five-Year Review, USITC Pub. 3886 at 9; Third Five-Year Review, USITC Pub. 4316 at 8.

⁶⁰ Original Determination, USITC Pub. 2825 at I-20; First Five-Year Review, USITC Pub. 3393 at 10; Second Five-Year Review, USITC Pub. 3886 at 9; Third Five-Year Review, USITC Pub. 4316 at 8.

⁶¹ First Five-Year Review, USITC Pub. 3393 at 10; Second Five-Year Review, USITC Pub. 3886 at 9; Third Five-Year Review, USITC Pub. 4316 at 8.

⁶² First Five-Year Review, USITC Pub. 3393 at 10; Second Five-Year Review, USITC Pub. 3886 at 9; Third Five-Year Review, USITC Pub. 4316 at 8.

⁶³ Domestic Interested Parties' Response at 24; Domestic Interested Parties' Expedited Review Comments at 5; CR at I-9 to I-13, PR at I-7 to I-10.

⁶⁴ Domestic Interested Parties' Response at 24; Domestic Interested Parties' Expedited Review Comments at 5; CR at I-13, PR at I-9 to I-10.

⁶⁵ Domestic Interested Parties' Response at 24; Domestic Interested Parties' Expedited Review Comments at 5; CR at I-13, PR at I-9 to I-10.

pounds in 1994, but their share of apparent U.S. consumption declined from 49.4 percent to 45.5 percent.⁶⁶ During the first five-year review, the volume of domestic producers' domestic shipments increased from 109 million pounds in 1998 to 128 million pounds in 2000, and their share of apparent U.S. consumption increased from 68.0 percent in 1998 to 68.9 percent in 2000.⁶⁷ In the second five-year review, the Commission found that in 2005 domestic producers' domestic shipments were *** million pounds and their share of apparent U.S. consumption was *** percent.⁶⁸ In the third five-year review, the Commission found that in 2011 domestic producers' domestic shipments were *** million pounds and their share of apparent U.S. consumption was *** percent.⁶⁹

During the original investigation, subject imports' market share increased from 7.1 percent in 1991 to 35.2 percent in 1994.⁷⁰ In the first five-year review, subject imports were virtually nonexistent in the U.S. market.⁷¹ In the second five-year review, the level of subject imports in the U.S. market had increased dramatically and, in 2005, subject imports accounted for *** percent of the U.S. market.⁷² In the third five-year review, subject imports by quantity accounted for *** percent of the U.S. market in 2011.⁷³

During the original investigation, nonsubject imports' share of the U.S. market declined steadily from 43.5 percent in 1991 to 19.3 percent in 1994.⁷⁴ During the first five-year review, nonsubject imports' share of the U.S. market decreased from 1998 to 2000, but was higher in each year than in 1994.⁷⁵ In the second five-year review, the Commission found that the share of the U.S. market held by nonsubject imports had declined significantly.⁷⁶ In the third five-year review, nonsubject imports' share of the U.S. market was *** percent in 2011, a figure below those in the original investigation and the prior five-year reviews.⁷⁷

⁶⁶ Original Determination, USITC Pub. 2825 at I-21 and Table C-3.

⁶⁷ First Five-Year Review, USITC Pub. 3393 at Table C-1.

⁶⁸ Confidential Second Five-Year Review Determination at 13; Second Five-Year Review Confidential Report, Memorandum INV-DD-099 (June 29, 2006) as revised by Memorandum INV-DD-137 (September 11, 2006), EDIS Doc. 613737, at Table I-8 ("Second Five-Year Review CR"); Second Five-Year Review, USITC Pub. 3886 at 10 and Table I-8.

⁶⁹ Confidential Third Five-Year Review Determination at 20; Third Five-Year Review, USITC Pub. 4316 at 15.

⁷⁰ Original Determination, USITC Pub. 2825 at I-25.

⁷¹ First Five-Year Review, USITC Pub. 3393 at 11 and Table I-5.

⁷² Confidential Second Five-Year Review Determination at 13; Second Five-Year Review, USITC Pub. 3886 at 10.

⁷³ Confidential Third Five-Year Review Determination at 10; Third Five-Year Review, USITC Pub. 4316 at 9.

⁷⁴ Original Determination, USITC Pub. 2825 at Table 2.

⁷⁵ Nonsubject imports' share of the U.S. market was 31.6 percent in 1998, 55.7 percent in 1999, and 30.6 percent in 2000. First Five-Year Review, USITC Pub. 3393 at Table C-1.

⁷⁶ Nonsubject imports' share of the U.S. market was *** percent in 2005. Second Five-Year Review, USITC Pub. 3886 at 11; Second Five-Year Review CR at Table I-8.

⁷⁷ Confidential Third Five-Year Review Determination at 10; Third Five-Year Review, USITC Pub. 4316 at 9.

In this review, the domestic interested parties contend that there have been no notable changes in domestic supply during the period of review because no producers started or stopped production.⁷⁸ In 2016, domestic producers' domestic shipments were *** pounds, a figure higher than in the original investigation and in 2011, and their share of apparent U.S. consumption was *** percent, which was lower than in the original investigation and in 2011.⁷⁹ Subject imports' share of the U.S. market was *** percent in 2016, which was higher than any year during the original investigation but lower than the share in 2011, *** percent.⁸⁰ Nonsubject imports' share of the U.S. market was *** percent in 2016, which was lower than in most years during the original investigation, but higher than that of 2011.⁸¹

3. Substitutability and Other Conditions

In the original investigation and prior reviews, the Commission found that the domestic like product and subject imports were highly substitutable and that fresh garlic was sold on the basis of price.⁸² Furthermore, the Commission observed that, since the original investigation, numerous import restraints, including antidumping and phytosanitary measures, had been instituted around the world against exports of fresh garlic from China.⁸³

In this review, there is no information on the record to suggest any change since the prior reviews in substitutability between domestic product and subject imports or in the importance of price.⁸⁴ Accordingly, we again find that the domestic like product and subject imports are highly substitutable and that price is an important factor in purchasing decisions.

⁷⁸ Domestic Interested Parties' Response at 16; Domestic Interested Parties' Expedited Review Comments at 4.

⁷⁹ CR/PR at Tables I-5 and I-6.

⁸⁰ Original Determination, USITC Pub. 2825 at Table C-3; CR/PR at Table I-6.

⁸¹ Nonsubject imports' share of the U.S. market was 34.5 percent in 1991, 35.9 percent in 1992, 28.5 percent in 1993, and 19.3 percent in 1994. Original Determination, USITC Pub. 2825 at Table C-3.

⁸² Original Determination, USITC Pub. 2825 at I-26 and I-27; First Five-Year Review, USITC Pub. 3393 at 10 and 12; Second Five-Year Review, USITC Pub. 3886 at 9; Third Five-Year Review, USITC Pub. 4316 at 13.

Most imported fresh garlic from China is considered USDA Grade No. 1 and generally ranges in size from 1½ inches to 2½ inches in diameter. Fresh garlic from China and from the United States has a similar taste. Cloves from China are the same size and firmness as the "California White" variety grown in the United States that is widely available in grocery stores, but garlic from China often has a tough, inedible stem shooting up from the center. First Five-Year Review, USITC Pub. 3393 at 5; Second Five-Year Review, USITC Pub. 3886 at 4; CR at I-8, PR at I-6 to I-7.

The Commission also emphasized that the perishability of fresh garlic was a key concern driving product sales. Original Determination, USITC Pub. 2825 at I-20; First Five-Year Review, USITC Pub. 3393 at 9; Third Five-Year Review, USITC Pub. 4316 at 13.

⁸³ First Five-Year Review, USITC Pub. 3393 at 11 and n.73; Second Five-Year Review, USITC Pub. 3886 at 12; Third Five-Year Review, USITC Pub. 4316 at 10.

⁸⁴ Domestic Interested Parties' Response at 10; Domestic Interested Parties' Expedited Review Comments at 2; CR at I-7 to I-8, PR at I-5 to I-6.

Furthermore, we observe the continued presence of various import restraints against exports of garlic from China worldwide.⁸⁵

C. Likely Volume of Subject Imports

1. The Prior Proceedings

In its original determination, the Commission found that the volume and market share of subject imports increased significantly throughout the period examined: The volume of subject imports increased by 949.2 percent over the period, from 6.1 million pounds in 1991 to 63.5 million pounds in 1994.⁸⁶ Further, subject imports' market share increased by 27.2 percentage points from 1993 to 1994, while the domestic industry's market share decreased by 18.0 percentage points.⁸⁷ The Commission concluded that the increase in the volume and market share of subject imports came primarily at the expense of the domestic industry.⁸⁸

In the first five-year review, the Commission found that the antidumping duty order had had a restraining effect on subject import volumes as virtually no imports of fresh garlic from China entered the U.S. market after the order was imposed.⁸⁹ According to the Commission, several factors supported the conclusion that subject import volume would likely be significant if the order were revoked.⁹⁰ Specifically, it found that subject producers were export oriented, that there were substantial barriers to imports from China in other world markets that made the growing U.S. market attractive to subject producers, and that during the original investigation subject producers demonstrated the ability rapidly to increase their exports to the U.S. market.⁹¹

In the second five-year review, the Commission found that the likely volume of subject imports would be significant if the order were revoked.⁹² The Commission emphasized that the quantity and value of subject imports had increased dramatically since the period examined in the first review, despite the presence of the antidumping duty order, and that subject imports' share of apparent U.S. consumption had risen correspondingly.⁹³ The Commission found that

⁸⁵ CR at 1-40 to I-42, PR at I-30 to I-31.

⁸⁶ Original Determination, USITC Pub. 2825 at I-25.

⁸⁷ Original Determination, USITC Pub. 2825 at I-25 and Table 23. The share of the U.S. market held by imports from countries other than China also decreased during this period. *Id.*

⁸⁸ Original Determination, USITC Pub. 2825 at I-25.

⁸⁹ First Five-Year Review, USITC Pub. 3393 at 11.

⁹⁰ First Five-Year Review, USITC Pub. 3393 at 11.

⁹¹ First Five-Year Review, USITC Pub. 3393 at 11-12.

⁹² Second Five-Year Review, USITC Pub. 3886 at 12.

⁹³ The Commission observed that the volume of subject imports increased from 1 million pounds in 2000 to 112 million pounds in 2005. Second Five-Year Review, USITC Pub. 3886 at 11. Subject imports' market share increased from less than 1 percent in 2000 to *** percent in 2005. Confidential Second Five-Year Review Determination at 13; Second Five-Year Review, USITC Pub. 3886 at 10.

Chinese producers continued to have substantial capacity.⁹⁴ The Commission emphasized that according to UN data, China's capacity to produce the larger category of "all garlic" increased by 48 percent over the period of review to reach more than 24.5 billion pounds in 2005.⁹⁵ Additionally, the Commission observed that total exports from China of fresh garlic increased by 200 percent from 2000 to 2005.⁹⁶ The Commission also found that numerous import restraints, including antidumping and phytosanitary measures, had been imposed on fresh garlic from China since the original investigation.⁹⁷ According to the Commission, if the order were revoked, the U.S. market would become more attractive to subject producers, resulting in increased exports of fresh garlic from China to the United States.⁹⁸ For all these reasons, the Commission found that subject imports would likely increase significantly upon revocation of the antidumping duty order.⁹⁹

In the third five-year review, the Commission found that subject imports continued to increase and capture market share, reaching record levels despite the presence of the order.¹⁰⁰ The domestic industry, which lost half of its U.S. market share to subject imports during the second review period, gained little ground.¹⁰¹ The Commission observed that China was the world's largest producer of garlic and that the subject producers were export oriented.¹⁰² The Commission found that various countries continued to take actions, including antidumping and phytosanitary measures, to limit imports of fresh garlic from China, thereby increasing the likelihood that large volumes of fresh garlic from China would be exported to the U.S. market if the order were revoked.¹⁰³ For these reasons, the Commission found that the likely volume of subject merchandise, both in absolute terms and relative to consumption and production in the

⁹⁴ Second Five-Year Review, USITC Pub. 3886 at 12.

⁹⁵ Second Five-Year Review, USITC Pub. 3886 at 12.

⁹⁶ Second Five-Year Review, USITC Pub. 3886 at 12.

⁹⁷ Second Five-Year Review, USITC Pub. 3886 at 12.

⁹⁸ Second Five-Year Review, USITC Pub. 3886 at 12.

⁹⁹ Second Five-Year Review, USITC Pub. 3886 at 12.

¹⁰⁰ Subject import volume increased from 112 million pounds in 2005 to 137 million pounds in 2011, and in 2011, subject imports' market share was *** percent. Confidential Third Five-Year Review Determination at 14; Third Five-Year Review, USITC Pub. 4316 at 11.

¹⁰¹ The domestic industry's market share increased from *** percent in 2005 to *** percent in 2011. Confidential Third Five-Year Review Determination at 14; Third Five-Year Review, USITC Pub. 4316 at 11-12.

¹⁰² UN data showed that China accounted for an estimated 78 percent of global garlic production between 2005 to 2009, that production of garlic in China was 60 percent higher in 2009 than in 2005, and that harvested acreage increased by 20.2 percent between 2005 and 2009. Third Five-Year Review, USITC Pub. 4316 at 12. UN data also showed that subject producers' exports of fresh garlic increased from 2.4 billion pounds in 2005 to 3.0 billion pounds in 2010, capturing 88 percent of the global export market in 2010, down slightly from 90 percent in 2009. *Id.*

¹⁰³ Third Five-Year Review, USITC Pub. 4316 at 12.

United States, would likely be significant within a reasonably foreseeable time if the order were revoked.¹⁰⁴

2. The Current Review

In this review, we find that the volume of subject imports would likely be significant in the event of revocation. Despite the antidumping duty order, subject imports continued to enter the U.S. market in substantial quantities during the current period of review. From 2012 to 2016, the quantity of subject imports ranged from a low of 119.9 million pounds in 2016 to a high of 143.5 million pounds in 2014.¹⁰⁵ The share of the U.S. market held by subject imports was *** percent in 2016, higher than the share reached in 1994 in the original investigation.¹⁰⁶

The record contains limited data concerning the fresh garlic industry in China because no foreign producer or exporter of subject merchandise participated in this review. Nonetheless, the available information indicates that the fresh garlic industry in China has expanded to 170 producers or exporters that have exported subject merchandise since 2011, as compared to 121 during the third five-year review, and that production of garlic in China increased from 18.5 million tons in 2010 to almost 20 million tons in 2014.¹⁰⁷ China maintains its position as the world's largest producer of garlic.¹⁰⁸ Additionally, garlic acreage under cultivation in China increased from 2016 to 2017.¹⁰⁹ These data indicate that subject producers have sufficient capacity to substantially increase export shipments to the U.S. market in the event of revocation.¹¹⁰

Subject producers are likely to direct additional exports to the United States upon revocation of the order. The substantial volume of subject imports during the period of review indicates that subject exporters have the ability and interest to supply the U.S. market. Additionally, available Global Trade Atlas data indicate that, measured by quantity, the garlic industry in China remains export oriented; it exported 3.4 billion pounds in 2016, which represented 78 percent of global exports that year.¹¹¹ Moreover, garlic from China is subject to antidumping duty orders in Brazil and South Africa; tariff restrictions and import quotas imposed by the European Union, Korea, Morocco, Taiwan, and Thailand; and phytosanitary measures imposed by Brazil, Canada, Korea, Mexico, and Peru.¹¹² These actions provide

¹⁰⁴ Third Five-Year Review, USITC Pub. 4316 at 12.

¹⁰⁵ CR/PR at Table I-4.

¹⁰⁶ Subject imports accounted for 35.2 percent of the U.S. market in 1994, *** percent in 2005, and *** percent in 2011. CR/PR at Table I-6.

¹⁰⁷ CR at I-35 to I-36, PR at I-26 to I-27. 2014 data are the most recent available.

¹⁰⁸ CR at I-36, PR at I-26 to I-27.

¹⁰⁹ CR at I-37 to I-38, PR at I-27 to I-28.

¹¹⁰ The production increase of 1.5 million tons from 2010 to 2014 is equivalent to roughly 10 times the amount of apparent U.S. consumption in 2016. See CR/PR at Table I-5.

¹¹¹ CR/PR at Table I-8.

¹¹² CR at I-40 to I-42, PR at I-30 to I-31.

additional incentive for subject producers to target the United States should the order be revoked.¹¹³

Based on the above, in particular the substantial presence of subject imports in the U.S. market even under the discipline of the order, and the size of the industry in China, its growing export orientation, and restrictions on its exports in various third-country markets, we find that subject producers would likely increase their exports to the United States if the antidumping duty order were to be revoked. Accordingly, based on the available information, we conclude that the volume of subject imports would likely be significant, both in absolute terms and relative to U.S. consumption, should the order be revoked.

D. Likely Price Effects

1. The Prior Proceedings

In its original determination, the Commission found that the domestic like product and subject imports were highly fungible and competed head-to-head due to overlapping marketing seasons, and that price was a key factor in purchasing decisions.¹¹⁴ It also observed that subject imports undersold the domestic like product in 20 out of 21 price comparisons, with underselling margins reaching 70.0 percent.¹¹⁵ As a result, the Commission found that subject imports had a significant depressing effect on prices of the domestic like product.¹¹⁶

In the first five-year review, the Commission found that subject imports, which were virtually absent during the period examined, would likely be aggressively priced to recapture market share if the order were revoked.¹¹⁷ In light of subject import underselling during the original investigation and the resulting adverse price effects, the Commission concluded that if the order were revoked, subject imports would likely have significant price depressing or suppressing effects on the domestic like product.¹¹⁸

In the second and third five-year reviews, the Commission found that the average unit values (“AUVs”) of fresh garlic imports from China remained below the AUVs for domestic producers’ shipments.¹¹⁹ The Commission further found in each review that, in light of the substantial and increasing presence of fresh garlic imports from China despite the existing antidumping duty order, and the fungibility between the domestic like product and subject merchandise, subject producers had an incentive to lower their prices to increase their U.S.

¹¹³ Because of the expedited nature of this review, the record does not contain information about inventories of the subject merchandise or the subject industry’s potential for product shifting.

¹¹⁴ Original Determination, USITC Pub. 2825 at I-26.

¹¹⁵ Original Determination, USITC Pub. 2825 at I-26.

¹¹⁶ Original Determination, USITC Pub. 2825 at I-26.

¹¹⁷ First Five-Year Review, USITC Pub. 3393 at 12.

¹¹⁸ First Five-Year Review, USITC Pub. 3393 at 12.

¹¹⁹ Second Five-Year Review, USITC Pub. 3886 at 13; Third Five-Year Review, USITC Pub. 4316 at 13–14.

market share.¹²⁰ Given the past history of underselling by subject imports, the Commission therefore determined in each review that, if the order were revoked, significant volumes of subject imports would likely undersell the domestic like product in order to gain market share and would likely significantly depress or suppress domestic prices within a reasonably foreseeable time.¹²¹

2. The Current Review

The limited record in this review indicates that there is a high degree of substitutability between imports of fresh garlic from China and the domestic like product and that price continues to be an important factor in purchasing decisions. This review, due to its expedited nature, does not contain pricing data.¹²² As observed above, subject import volumes from China would likely increase significantly upon revocation of the order. Additionally, given the continued attractiveness of the U.S. market, subject producers would be likely to resume the behavior observed in the original investigation, exporting subject merchandise at low prices to gain market share. These subject imports would likely undersell domestically produced fresh garlic, as they did during the original investigation. Consequently, there would likely be significant underselling by subject imports from China.

Because of the substitutability between the domestic like product and subject imports and because price continues to be an important factor in purchasing decisions, the likely significant volume of subject imports, which would undersell the domestic like product, would likely force the domestic industry to lower prices or lose sales. In light of these considerations, we conclude that subject imports would likely have significant depressing or suppressing effects on prices for the domestic like product upon revocation of the order.

E. Likely Impact

1. The Prior Proceedings

In the original investigation, the Commission found that the domestic industry was unable to operate profitably despite rising apparent consumption and sales revenues due to falling prices.¹²³ The domestic industry experienced declining profits from 1991 to 1993 and

¹²⁰ Second Five-Year Review, USITC Pub. 3886 at 13; Third Five-Year Review, USITC Pub. 4316 at 13–14.

¹²¹ Second Five-Year Review, USITC Pub. 3886 at 13; Third Five-Year Review, USITC Pub. 4316 at 13–14.

¹²² We observe that the available AUV data indicate that the AUV for the subject merchandise was \$1.25 per pound in 2016, *** percent lower than the AUV for domestic producers' domestic shipments for that year (\$***). CR/PR at Tables I-3 and I-4. We typically view AUV data with caution for price comparisons because differences in AUVs can reflect differences in product mix rather than differences in price.

¹²³ Original Determination, USITC Pub. 2825 at I-27.

operating losses in 1994, immediately following the increase in imports of low-priced garlic from China.¹²⁴ The Commission found that the declines in operating income resulted primarily from the price depression and volume displacement caused by subject imports.¹²⁵

In the first five-year review, the Commission found that the domestic industry would be vulnerable to material injury within a reasonably foreseeable time if the order were revoked, due in part to its decline in operating income over the period of review.¹²⁶ Because of the highly substitutable nature of the domestic product and subject merchandise and the increasing volume of subject imports, the Commission found that the volume and price effects of the subject imports would likely cause the domestic industry to lose market share, which would have a significant impact on the domestic industry's production, shipments, sales, and revenues.¹²⁷ It stated that this in turn would be likely to have a significant impact on the industry's profitability and its ability to raise capital.¹²⁸

In the second five-year review, given the contraction of the domestic industry and resulting decrease in its production and domestic shipments, the Commission found that the domestic industry would be vulnerable to material injury if the antidumping duty order were revoked.¹²⁹ The Commission found that the likely significant volume of subject imports, when combined with the likely adverse price effects of those imports, would likely have a significant impact on the industry's production, shipments, sales, and revenues.¹³⁰ The Commission concluded that reductions in these indicators likely would have a significant impact on the domestic industry's profitability and employment levels, as well as on its ability to raise capital and make and maintain necessary capital investments.¹³¹

In the third five-year review, the Commission did not make a finding on whether the domestic industry was vulnerable to the continuation or recurrence of material injury in the event of revocation of the order. The Commission found that if the order were revoked, subject imports would likely increase their presence in the U.S. market at the expense of the domestic industry¹³² and would be at prices that would likely undersell the domestic like product and significantly suppress or depress U.S. prices.¹³³ The likely volume and price effects of subject imports would likely cause the domestic industry to lose market share, with a significant impact on the domestic industry's production, shipments, sales, and revenues.¹³⁴ This reduction in the industry's production, shipments, sales, and revenues would likely have a significant impact on the industry's employment and profitability as well as its ability to raise

¹²⁴ Original Determination, USITC Pub. 2825 at I-27.

¹²⁵ Original Determination, USITC Pub. 2825 at I-27.

¹²⁶ First Five-Year Review, USITC Pub. 3393 at 13.

¹²⁷ First Five-Year Review, USITC Pub. 3393 at 13.

¹²⁸ First Five-Year Review, USITC Pub. 3393 at 13.

¹²⁹ Second Five-Year Review, USITC Pub. 3886 at 15.

¹³⁰ Second Five-Year Review, USITC Pub. 3886 at 15.

¹³¹ Second Five-Year Review, USITC Pub. 3886 at 15.

¹³² Third Five-Year Review, USITC Pub. 4316 at 15.

¹³³ Third Five-Year Review, USITC Pub. 4316 at 15.

¹³⁴ Third Five-Year Review, USITC Pub. 4316 at 15.

capital and make and maintain necessary capital investments.¹³⁵ The Commission added that because nonsubject imports generally were not marketed concurrently with the domestic like product, nonsubject imports would not be likely to prevent subject imports from penetrating the U.S. market significantly at the expense of the domestic industry upon revocation.¹³⁶

2. The Current Review

In this expedited review, the information available on the domestic industry's condition is limited. In 2016, the domestic industry's production capacity was *** pounds, its production was *** pounds, and its capacity utilization rate was *** percent.¹³⁷ The industry's domestic shipments were *** pounds, accounting for *** percent of apparent U.S. consumption by volume.¹³⁸ Its net sales value was \$***, and its operating income was \$***, equivalent to *** percent of net sales.¹³⁹ The limited evidence in this expedited review is insufficient for us to make a finding on whether the domestic industry is vulnerable to the continuation or recurrence of material injury in the event of revocation of the order.

Based on the information available in this review, we find that revocation of the order would likely lead to a significant volume of subject imports and that these imports would likely undersell the domestic like product to a significant degree, resulting in significant price depression or suppression for the domestic like product. We find that the increased subject import competition that would likely occur after revocation of the order would likely have a significant impact on the domestic industry. The domestic industry would likely lose market share to subject imports and/or experience lower prices due to competition from subject imports, which would adversely impact its production, shipments, sales, and revenue. These reductions would likely have a direct adverse impact on the domestic industry's profitability and employment levels, as well as its ability to raise capital and make and maintain necessary capital investments.

We have also considered the role of factors other than subject imports, including the presence of nonsubject imports, so as not to attribute likely injury from other factors to the subject imports. Nonsubject imports have been present in the U.S. market since the original investigation; their share of apparent U.S. consumption in 2016 was *** percent, higher than in 2011 (*** percent) but lower than in most years during the original period of investigation.¹⁴⁰ In any event, due to their differing growing seasons, imports from nonsubject sources are generally not present in the U.S. market concurrently with the domestic like product. Consequently, the likely adverse effects of the subject imports, which compete head-to-head with the domestic like product, are distinct from any that may be caused by nonsubject imports.

¹³⁵ Third Five-Year Review, USITC Pub. 4316 at 15–16.

¹³⁶ Third Five-Year Review, USITC Pub. 4316 at 16.

¹³⁷ CR/PR at Table I-3.

¹³⁸ CR/PR at Table I-6.

¹³⁹ CR/PR at Table I-3.

¹⁴⁰ See CR/PR at Table I-6; Original Determination, USITC Pub. 2825 at Table C-3.

Accordingly, we conclude that, if the antidumping duty order on fresh garlic from China were to be revoked, subject imports would likely have a significant impact on domestic producers of fresh garlic within a reasonably foreseeable time.

IV. Conclusion

For the above reasons, we determine that revocation of the antidumping duty order on fresh garlic from China would likely lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

INFORMATION OBTAINED IN THESE REVIEWS

BACKGROUND

On April 3, 2017, the U.S. International Trade Commission (“Commission”) gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”),¹ that it had instituted a review to determine whether revocation of the antidumping duty order on fresh garlic from China would likely lead to the continuation or recurrence of material injury to a domestic industry.² All interested parties were requested to respond to this notice by submitting certain information requested by the Commission.^{3 4} The following tabulation presents information relating to the background and schedule of this proceeding:

Effective or statutory date	Action
April 3, 2017	Notice of initiation and institution by Commerce and Commission
August 1, 2017	Commerce results of its expedited review
July 7, 2017	Commission vote on adequacy
October 19, 2017	Commission statutory deadline to complete expedited review
March 29, 2018	Commission statutory deadline to complete full review

RESPONSES TO THE COMMISSION’S NOTICE OF INSTITUTION

Individual responses

The Commission received one submission in response to its notice of institution in the subject review. It was filed on behalf of the Fresh Garlic Producers Association (“FGPA”) and its individual members, Christopher Ranch L.L.C., The Garlic Company, Valley Garlic Inc., and

¹ 19 U.S.C. 1675(c).

² *Fresh Garlic from China; Institution of a Five-Year Review*, 82 FR 16223, April 3, 2017. In accordance with section 751(c) of the Act, the U.S. Department of Commerce (“Commerce”) published a notice of initiation of a five-year review of the subject antidumping duty order concurrently with the Commission’s notice of institution. *Initiation of Five-Year (“Sunset”) Reviews*, 82 FR 16159, April 3, 2017. Pertinent *Federal Register* notices are referenced in app. A, and may be found at the Commission’s website (www.usitc.gov).

³ As part of their response to the notice of institution, interested parties were requested to provide company-specific information. That information is presented in app. B. Summary data compiled in prior proceedings is presented in app. C.

⁴ Interested parties were also requested to provide a list of three to five leading purchasers in the U.S. market for the subject merchandise. Presented in app. D are the responses received from purchaser surveys transmitted to the purchasers identified in the adequacy phase of this review.

Vessey and Company, Inc., domestic producers of fresh garlic (collectively referred to herein as “domestic interested parties”).

A complete response to the Commission’s notice of institution requires that the responding interested party submit to the Commission all the information listed in the notice. Responding firms are given an opportunity to remedy and explain any deficiencies in their responses. A summary of the number of responses and estimates of coverage for each is shown in table I-1.

Table I-1
Fresh garlic: Summary of responses to the Commission’s notice of institution

Type of interested party	Completed responses	
	Number	Coverage
Domestic:		
U.S. producer	1	*** ¹
Respondent:		
U.S. importer	0	0%
Foreign producer/exporter	0	0%

¹ The coverage figure presented, as provided by the domestic interested parties in their response to the notice of institution, represents the FPGA members’ share of total U.S. production of fresh garlic during crop year 2016. *Domestic Interested Parties’ Response to the Notice of Institution*, May 2, 2017, p. 15.

Party comments on adequacy

The Commission received a submission from FGPA commenting on the adequacy of responses to the notice of institution and whether the Commission should conduct expedited or full reviews. FGPA argued that its response should be deemed adequate. The Commission received no complete submission by any respondent interested party and FGPA noted that the responses of the respondent interested parties should be deemed inadequate. FGPA further explained that none of the purchaser questionnaires identified any significant changes in the supply and demand conditions or business cycle for fresh garlic that have occurred since the last five-year review that warrant further examination. Therefore, the FGPA requests that the Commission conduct an expedited review of the antidumping order on fresh garlic.⁵

⁵ *Domestic Interested Parties’ Comments on Adequacy Responses and Expedited Review*, June 15, 2017, p. 3.

RECENT DEVELOPMENTS IN THE INDUSTRY

Since the Commission's last five-year review, the following developments have occurred in the fresh garlic industry:

- Since 2011, demand for fresh garlic in the United States has expanded while domestic production has declined, with no new entrants into the market.⁶
- Production of garlic in China has expanded by 8.1 percent, from 18.5 million metric tons in 2010, to 20.0 million metric tons in 2014.⁷
- Total world production of garlic expanded by 2.4 million metric tons from 2010-14.⁸
- Actions in third country markets are limiting the imports of fresh garlic from China.⁹

THE ORIGINAL INVESTIGATION AND SUBSEQUENT REVIEWS

The original investigation

The original investigation resulted from a petition filed on January 31, 1994 with Commerce and the Commission by the FGPA, consisting then of the following firms: Christopher Ranch, Gilroy, California; Belridge Packing, Colorado, Wasco, California; Colusa Produce Corp., Colusa, California; Denice & Filice Packing, Colorado, Hollister, California; El Camino Packing California, Gilroy, California; The Garlic Co., Shafter, California; and Vessey, El Centro, California. On September 26, 1994, Commerce determined that imports of fresh garlic from China were being sold at less than fair value ("LTFV").¹⁰ The Commission determined on November 7, 1994 that the domestic industry was materially injured by reason of LTFV imports of fresh garlic from China.¹¹ On November 16, 1994, Commerce issued its antidumping duty order with the final weighted-average dumping margin of 376.67%.¹²

The first five-year review

On March 3, 2000, the Commission determined it would conduct a full five-year review of the antidumping duty order on fresh garlic from China.¹³ On July 5, 2000, Commerce

⁶ *Domestic Interested Parties' Comments on Adequacy*, May 2, 2017, pp. 16-17.

⁷ *Ibid*, p. 17.

⁸ *Ibid*.

⁹ *Ibid*, p. 18.

¹⁰ *Notice of Final Determination of Sales at Less Than Fair Value: Fresh Garlic From the People's Republic of China*, 59 FR 49058, September 26, 1994.

¹¹ *Fresh Garlic From Determination Notice*, 59 FR 59247, November 16, 1994.

¹² *Antidumping Duty Order: Fresh Garlic From the People's Republic of China*, 59 FR 59209, November 16, 1994.

¹³ *Fresh Garlic From China*, 65 FR 52784, August 30, 2000.

published its determination that revocation of the antidumping duty order on fresh garlic from China would be likely to lead to continuation or recurrence of dumping.¹⁴ On February 22, 2001, the Commission notified Commerce of its determination that material injury would be likely to continue or recur within a reasonably foreseeable time.¹⁵ Following affirmative determinations in the five-year reviews by Commerce and the Commission, effective, March 13, 2001, Commerce issued a continuation of the antidumping duty order on imports of fresh garlic from China.¹⁶

The second five-year review

On May 8, 2006, the Commission determined that it would conduct an expedited review of the antidumping duty order on fresh garlic from China.¹⁷ On June 8, 2006, Commerce published its determination that revocation of the antidumping duty order on fresh garlic from China would be likely to lead to continuation or recurrence of dumping.¹⁸ On September 28, 2006, the Commission notified Commerce of its determination that material injury would be likely to continue or recur within a reasonably foreseeable time.¹⁹ Following affirmative determinations in the five-year reviews by Commerce and the Commission, effective, October 19, 2006, Commerce issued a continuation of the antidumping duty order on imports of fresh garlic from China.²⁰

The third five-year review

On December 5, 2011, the Commission determined that it would conduct an expedited review of the antidumping duty order on fresh garlic from China.²¹ On January 6, 2012, Commerce published its determination that revocation of the antidumping duty order on fresh garlic from China would be likely to lead to continuation or recurrence of dumping.²² On April 27, 2012, the Commission notified Commerce of its determination that material injury would be likely to continue or recur within a reasonably foreseeable time.²³ Following affirmative

¹⁴ *Fresh Garlic From the People's Republic of China; Final Results of Expedited Sunset Review of Antidumping Duty Order*, 65 FR 41432, July 5, 2000.

¹⁵ *Fresh Garlic From China*, 66 FR 12810, February 28, 2001.

¹⁶ *Continuation of Antidumping Duty Order on Fresh Garlic From the People's Republic of China*, 66 FR 14544, March 13, 2001.

¹⁷ *Fresh Garlic from China*, 71 FR 29352, May 22, 2006.

¹⁸ *Fresh Garlic From the People's Republic of China: Final Results of the Expedited Sunset Review of the Antidumping Duty Order*, 71 FR 33279, June 8, 2006.

¹⁹ *Fresh Garlic From China Determination Notice*, 71 FR 58630, October 4, 2006.

²⁰ *Continuation of Antidumping Duty Order: Fresh Garlic from the People's Republic of China*, 71 FR 61708, October 19, 2006.

²¹ *Fresh Garlic From China; Scheduling of an expedited five-year review*, 76 FR 78694, December 19, 2011.

²² *Fresh Garlic From the People's Republic of China: Final Results of the Expedited Sunset Review of the Antidumping Duty Order*, 77 FR 777, January 6, 2012.

²³ *Fresh Garlic From China; Determination*, 77 FR 26579, May 4, 2012.

determinations in the five-year reviews by Commerce and the Commission, effective, April 19, 2006, Commerce issued a continuation of the antidumping duty order on imports of fresh garlic from China.²⁴

PRIOR RELATED INVESTIGATIONS

The Commission has not conducted any other investigations or reviews concerning fresh garlic.

THE PRODUCT

Commerce's scope²⁵

Commerce has defined the subject merchandise as:

The products covered by the order are all grades of garlic, whole or separated into constituent cloves, whether or not peeled, fresh, chilled, frozen, water or other neutral substance, but not prepared or preserved by the addition of other ingredients or heat processing. The differences between grades are based on color, size, sheathing, and level of decay.

The scope of the order does not include the following: (a) Garlic that has been mechanically harvested and that is primarily, but not exclusively, destined for non-fresh use; or (b) garlic that has been specially prepared and cultivated prior to planting and then harvested and otherwise prepared for use as seed. The subject merchandise is used principally as a food product and for seasoning.

²⁴ *Fresh Garlic From the People's Republic of China: Continuation of Antidumping Duty Order*, 77 FR 28355, May 14, 2012.

²⁵ Issues and Decision Memorandum for the Final Results of Antidumping Duty Administrative Review: Fresh Garlic from the People's Republic of China; 2013-2014, pp. 2-3.

Description and uses²⁶

Garlic, *Allium sativum* L., is a member of the onion family (Alliaceae).²⁷ Fresh garlic is produced commercially for its composite bulb, which consists of cloves (thickened storage leaves) individually wrapped in dried leaf sheaths or skins attached to a compressed stem plate. The whole bulb is also wrapped in several layers of dried leaf sheaths.²⁸ U.S. standards treat fresh garlic as either USDA Grade No. 1 or unclassified.²⁹ Fresh garlic that is not USDA Grade No. 1 is designated as unclassified, which is not a grade within the meaning of these standards. Typically, fresh garlic is sorted and packed according to size, ranging from 1-1/2 inches in diameter, in 1/4-inch increments, to 2-3/4 inches or more. Such practices also include the sale of USDA Grade No. 1-quality fresh garlic not labeled as such.³⁰ Most imported fresh garlic from China is considered USDA Grade No. 1 and generally ranges in size from 1-1/2 inches to 2-1/2 inches in diameter. Chinese and American garlic have a similar taste although U.S.-grown garlic has reportedly been marketed as having a more robust flavor than Chinese garlic.³¹ Chinese cloves are the same size and firmness as the “California White” that is widely available in grocery stores, but Chinese garlic often has a tough, inedible stem shooting up from the

²⁶ Unless otherwise noted, this information is based on *Fresh Garlic from China, Inv. No. 731-TA-683 (Third Review)*, USITC Publication 4316, April 2012, p. I-10.

²⁷ There are two main types of garlic, hardneck (*Allium sativum ophioscorodon*) and softneck (*Allium sativum sativum*). Most commercial production is of the softneck variety in part because it is easier to grow and plant mechanically. Softneck garlic has a flexible stalk, white papery skin, and an abundance of cloves. Hardneck garlic has a stalk that coils from the top, has fewer but larger cloves than softneck garlic, and has fewer outer bulb wrappers, reducing its shelf life. <http://www.garlic-central.com/varieties.html>, <http://www.ipmcenters.org/cropprofiles/docs/CAgarlic.pdf>, and <http://www.seecalifornia.com/farms/california-garlic.html>.

²⁸ Cantwell, Maria, Department of Vegetable Crops, University of California, Davis, Garlic, found at <http://www.ba.arss.usda.gov/hb666/0666garlic.pdf>, retrieved May 24, 2006.

²⁹ USDA Grade No. 1 consists of garlic of similar varietal characteristics which is mature and well cured, compact with cloves well filled and fairly plump, free from mold, decay, shattered cloves, and from damage caused by dirt or staining, sunburn, sunscald, cuts, sprouts, tops, roots, disease, insects or mechanical or other means. Each bulb shall be fairly well enclosed in its outer sheath. Unless otherwise specified, the minimum diameter of each bulb shall be not less than 1-1/2 inches. From the U.S. Department of Agriculture’s United States Standards for Grades of Garlic, effective September 6, 2016, <https://www.ams.usda.gov/sites/default/files/media/GarlicStandard.pdf>, retrieved May 31, 2017.

³⁰ A large-diameter relative of garlic, known as elephant garlic, is not a true garlic. It is a separate species (*Allium ampeloprasum*) and is not recognized as a separate garlic grade. Elephant garlic is a type of leek that is a close relative of garlic and onions. Much larger than true garlic, elephant garlic tends to have a milder flavor. In California, the area devoted to elephant garlic is small relative to regular garlic. *Fresh Garlic From China, Inv. No. 731-TA-683 (Review)*, USITC Publication 3393, February 2001, p. I-8-I-9; and *Fresh Garlic from China, Inv. No. 731-TA-683 (Second Review)*, USITC Publication 3886, September 2006, p. I-9 and fn. 33.

³¹ U.S. Department of Agriculture, Economic Research Service, “Increased U.S. Imports of Fresh Fruit and Vegetables,” FTS-328-01, September 2007, p. 14.

center.³² It may be possible to distinguish between U.S. and Chinese produced garlic by the amount of roots showing at the bottom of the bulb. According to the CEO of Christopher Ranch, “In California, we cut the roots off but we leave a little bit of brush. In Chinese garlic they cut the root plate off flat, with no brush.”³³



Manufacturing process³⁴

In the Western Hemisphere, fresh garlic is grown primarily in sunny, relatively dry areas of California, Mexico, Argentina, and Chile. Moreover, the production of fresh garlic largely depends on the latitude of the growing area; the lower the latitude, the earlier the planting and harvesting. Whereas in California garlic is planted in the fall and harvested the following summer, in Mexico garlic is planted during the summer and harvested the following spring. By contrast, in Argentina and Chile, where the seasons are reversed from those of North America, planting takes place in March-May for harvest in the following December-February. The result of such staggered crop years is that garlic traditionally was available from one source or another in the Western Hemisphere throughout the entire year, and no two countries seriously affected one another in the U.S. market. The crop year in China, however, basically coincides with that in California, except that garlic in China is harvested somewhat earlier, allowing it to enter the U.S. market coincident with the harvesting of the U.S.-produced product.

In the United States, the garlic crop year begins with the acquisition of seed stock. It is imperative that the garlic seed is free of white rot disease, a soil-borne fungus that is extremely destructive to *Allium* crops (including garlic) in both the short and long term.³⁵ Found around the world (including China)³⁶, the pathogen (*Sclerotium cepivorum*) that causes white rot is a

³² Cropchoice.com, *California farmers give up garlic battle*, July 23, 2003, <http://www.cropchoice.com/leadstryed7c.html?recid=1901>, retrieved May 24, 2006.

³³ <http://www.seecalifornia.com/farms/california-garlic.html>, retrieved June 9, 2017.

³⁴ Unless otherwise noted, this information is based on *Fresh Garlic from China, Inv. No. 731-TA-683 (Third Review)*, USITC Publication 4316, April 2012, pp. I-11 - I-12.

³⁵ Crop Profile for Garlic in California, <http://www.ipmcenters.org/cropprofiles/docs/CAgarlic.pdf>, retrieved June 9, 2017.

³⁶ Western Farm Press, *White Rot Major Garlic Issue*, <http://www.westernfarmpress.com/white-rot-major-garlic-issue>, retrieved June 9, 2017.

small, dormant structure that is transmitted from seed to soil.³⁷ The white rot fungus can survive in the soil for over twenty years to forty years, threatening production areas for years.³⁸ The pathogen remains dormant in the soil until an *Allium* crop (including garlic or onion) is planted.³⁹ *Sclerotium* spreads quickly and can spread throughout a field or from field to field by floodwater, equipment, or on plant material including wind-blown scales, making prevention and sanitation crucial.⁴⁰

California garlic acreage has declined dramatically due to white rot. Domestic planted garlic acreage dropped by 35 percent between 2000 and 2016. Domestic planted garlic acreage fell from 37,900 acres in 2000, to 30,400 acres in 2005, to 24,600 acres in 2016.⁴¹ White rot infected over 14,000 acres (over 90 fields) in the San Joaquin valley between 1994 and 2007.⁴² In 2005, the California Garlic and Onion Research Committee was established with the goal of developing white rot management programs.⁴³ Reportedly, farmers have been avoiding planting in infested fields since no single treatment, chemical or natural, is completely successful.^{44 45 46} Once established, white rot can cause yield losses ranging between 50 to 80 percent and since it remains in the field, prevents replanting of garlic for 20-40 years.⁴⁷

³⁷ Western Farm Press, *California Garlic, Onion Growers Tackle White Rot Challenge*, <http://www.westernfarmpress.com/management/california-garlic-onion-growers-tackle-white-rot-challenge>, retrieved June 9, 2017.

³⁸ University of California Pest Management Guidelines, Onion and Garlic, White Rot. Updated June 2016. <http://ipm.ucanr.edu/PMG/r584100511.html>.

³⁹ University of California Pest Management Guidelines, Onion and Garlic, White Rot, <http://ipm.ucanr.edu/PMG/r584100511.html>, retrieved June 9, 2017.

⁴⁰ University of California Pest Management Guidelines, Onion and Garlic, White Rot, <http://ipm.ucanr.edu/PMG/r584100511.html>, retrieved June 9, 2017.

⁴¹ USDA NASS QuickStats Garlic, https://quickstats.nass.usda.gov/results/9171D567-64CA-32D4-82A7-90F55C2F8471?pivot=short_desc, retrieved June 9, 2017.

⁴² Western Farm Press, *Garlic and Onion Industry Targets White Rot Cure*, <http://www.westernfarmpress.com/garlic-and-onion-industry-targets-white-rot-cure>, retrieved June 9, 2017.

⁴³ California Garlic and Onion Research Advisory Board website, <http://www.cagarlicandonion.com/>, retrieved June 9, 2017.

⁴⁴ Western Farm Press, *Garlic and Onion Industry Targets White Rot Cure*, <http://www.westernfarmpress.com/garlic-and-onion-industry-targets-white-rot-cure>, retrieved June 9, 2017.

⁴⁵ Johnson, Steven B. "White Rot of Garlic and Onions," The University of Maine Cooperative Extension Publications, Bulletin # 2062. <https://extension.umaine.edu/publications/2062e/>.

⁴⁶ Biostimulants (such as garlic powder or *diallele disulfide*) significantly reduced *sclerotia* populations in the soil, achieving disease control similar to methyl bromide fumigation, but as soon as allium crops are planted, the disease quickly reaches economically damaging levels and multiple treatments were cost prohibitive. Fumigation with methyl bromide is not cost effective and has been phased out for environmental reasons. Currently registered fungicides applied at planting in the fall do not have adequate residual activity to prevent the disease when *sclerotia* become infective in the spring. UC Davis "Progress Report Garlic White Rot Trial" 2003; Davis, Mike. UC Davis "White Rot Overview & Use of

(continued...)

Once safe seed supplies have been acquired, grower-packers (fresh market producers) contract with farmers for raising their crop. According to the USDA, virtually all-major commercial garlic is grown under contract and the garlic industry is fairly concentrated in the fresh market. Several large shippers account for the majority of fresh-market volume.⁴⁸ Following the selection and allocation of desired acreage, field preparation and planting are performed by the grower-packers, which provide farmers with seed and all other necessary inputs for raising the crop. They also provide for harvesting of the matured garlic when the crop is ready. Under the direction of a grower-packer, the farmer is responsible for fertilizing, weeding, and irrigating the crop.

Most farmers raising garlic also raise a number of other crops, using garlic in their crop rotation programs. One crop is grown per season, and the same land cannot be used again in garlic production for at least four years. In California, fresh garlic is usually planted in September through November and harvested in June through August, expanding from individual cloves (seeds) to mature compound bulbs in about 9 months. The planting stage for garlic production is critical in that the intended end use of garlic determines the density of planting. Fresh garlic is planted at 130,000 to 200,000 seeds per acre (10-13 cloves per bed foot). This low density facilitates hand harvesting, which is used to minimize bulb damage. All garlic cultivation involves irrigation; weed, insect, and disease control; fertilization; harvesting; and windrowing. The next stage in garlic production is the determination of when to make the last application of water prior to harvesting, commonly referred to as “water shut-off.” Water shut-off usually occurs 2-3 weeks before harvest, in order to encourage the formation of extra skins, which enhances the appearance of the bulb. The grower-packer evaluates the soil moisture content of each field in order to determine whether a final watering is needed and, if so, when it should be applied. The timing of the final application of water determines the number of bulb skins. At maturity, garlic bulbs for the fresh market are compact and firm, usually with seven or eight skins. The number of skins is critical since, during undercutting, windrowing, harvesting, cleaning, grading, sorting, and packing, the bulbs often lose three or four of those skins. Specialized machinery is used to undercut the bulb and loosen the soil, but the actual harvesting is done by hand. After undercutting and hand lifting out of the ground, the bulbs are carefully placed in windrows. The bulbs are then left to dry in the field for between 10 and 20 days. At that point, the garlic is hand-topped, clipped, and placed in large bins, which remain in the field for 2 to 3 weeks before being transported to special facilities where the garlic is cleaned, graded, sorted, and packed.

(...continued)

Germination Stimulants” <http://cetulare.ucdavis.edu/files/32417.pdf>; Bo Ming Wu, “Developing New Integrated Strategies for Controlling White Rot in Garlic” Oregon State http://oregonstate.edu/dept/coarc/sites/default/files/publication/11_white_rot_garlic.pdf.

⁴⁷ Western Farm Press, *Garlic and Onion Industry Targets White Rot Cure*, <http://www.westernfarmpress.com/garlic-and-onion-industry-targets-white-rot-cure>, retrieved June 9, 2017.

⁴⁸ U.S. Department of Agriculture, Economic Research Service, “Vegetable and Melons Outlook,” VGS-317, October 19, 2006, pp. 25-29.

Fresh garlic held in dry storage normally will remain of marketable quality for up to 3 months after harvesting. However, under these conditions, bulbs will eventually become soft, spongy, and shriveled due to water loss.⁴⁹ For this reason, grower-packers and importers have increasingly invested in the use of cold storage and controlled-atmospheric storage facilities to extend the shelf life of fresh garlic in a marketable state for up to approximately 6 and 11 months, respectively, or well into the next crop year. Special storage allows grower-packers and importers to spread sales over a longer period, albeit at substantial additional cost.⁵⁰

U.S. tariff treatment

Subject fresh garlic is currently provided for in subheading 0703.20.00 of the Harmonized Tariff Schedule of the United States (“HTS”) and imported under the following statistical reporting numbers: 0703.20.0005⁵¹ (certified organic fresh whole bulbs), 0703.20.0015⁵² (other fresh whole bulbs), 0703.20.0020 (fresh whole peeled cloves), and 0703.20.0090 (other fresh garlic).⁵³ Fresh garlic enters the United States at a column 1-general duty rate, applicable to China, of 0.43¢ per kilogram, free under special tariff treatment programs (none covering products of China),⁵⁴ or at a column-2 rate of 3.3¢ per kilogram.⁵⁵ The remaining HTS provisions cited in Commerce’s scope are residual or “basket” categories that cover imports of various vegetables: 0710.80.7060, with a column 1-general duty rate, applicable to China, of 11.3 percent ad valorem, 0710.80.9750, with a column 1-general duty rate of 14.9 percent, 0711.90.6500,⁵⁶ with a column 1-general duty rate of 7.7 percent, and

⁴⁹ Cantwell, Maria, Department of Vegetable Crops, University of California, Davis, Garlic, found at <http://www.ba.arss.usda.gov/hb666/066garlic.pdf>, retrieved May 24, 2006.

⁵⁰ At the time of the first five-year review, storage costs (per pound and per 5-month season), as reported during the Commission’s hearing held in connection with that review, were \$0.02 for dry storage, \$0.04 for cold storage, and \$0.06 for controlled-atmosphere storage. *Fresh Garlic from China, Inv. No. 731-TA-683 (Review)*, USITC Publication 3393, February 2001, p. I-8, fn 10.

⁵¹ Effective January 1, 2013, HTS subheading 0703.20.0010 was replaced by HTS subheadings 0703.20.0005 and 0703.20.0015.

⁵² Ibid.

⁵³ Decisions on the tariff classification and treatment of imported goods are solely within the authority of U.S. Customs and Border Protection.

⁵⁴ Eligible imports under the following special tariff treatment programs can enter free of duty: imports under Generalized System of Preferences (“GSP”); and imports under free trade agreements from Australia, Bahrain, Canada, Chile, Israel, Jordan, Korea, Morocco, Oman, Peru, Mexico, and Singapore. Duty-free entry also applies to imports from countries eligible for preferential treatment pursuant to the Andean Trade Preference Act, the Caribbean Basin Economic Recovery Act, and the African Growth and Opportunity Act (available under 0710.80.97 only).

⁵⁵ Applies to imports from a small number of countries that do not enjoy normal trade relations duty status.

⁵⁶ Effective January 10, 2002, HTS subheading 0711.90.60 was replaced by 0711.90.65 as a result of Presidential Proclamation 7515. See 66 FR 66549, December 26, 2001.

2005.90.9500⁵⁷, 2005.90.9700⁵⁸, 2005.99.9700,⁵⁹ with garlic dutiable at a column 1-general rate of 11.2 percent. The first two cover frozen vegetables and the latter cover prepared or preserved products.

The definition of the domestic like product

The domestic like product is defined as the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the subject merchandise.

In its original 1994 determination, the Commission found three separate domestic like products consisting of fresh garlic, dehy garlic, and seed garlic corresponding with the broader scope of the original investigation, but found that only the domestic industry producing fresh garlic was materially injured by LTFV imports from China.⁶⁰ The Commission found that there were pronounced differences in the actual uses for the three types of garlic; actual practice indicated that the products were not interchangeable; the three types of garlic did not share channels of distribution; customer and producer perceptions differed among the three garlic types; there was virtually no overlap between fresh and dehy producers and therefore no overlap in production facilities or employees; and fresh garlic prices were considerably higher than prices for either dehy or seed garlic. In the first, second and third five-year reviews, the Commission again defined the domestic like product as all fresh garlic, coextensive with Commerce's scope.⁶¹

In its notice of institution for this fourth five-year review, the Commission solicited comments from interested parties regarding what they deemed to be the appropriate definition of the domestic like product. According to their response to the notice of institution,

⁵⁷ Effective January 1, 1995, HTS subheading 2005.90.9500 was replaced by 2005.90.97 as a result of Presidential Proclamation 6641, December 15, 1993.

⁵⁸ Effective February 3, 2007, HTS subheading 2005.90.9700 was deleted as a result of Presidential Proclamation 8097. See 72 FR 453, January 4, 2007.

⁵⁹ Effective February 3, 2007, HTS subheading 2005.91.97 was replaced by 2005.99.97 as a result of Presidential Proclamation 8097. See 72 FR 453, January 4, 2006.

⁶⁰ *Fresh Garlic from The People's Republic of China, Inv. No. 731-TA-683 (Final)*, USITC Publication 2825, November 1994, pp. I-3-I-5. The Commission found that the domestic industries producing dehy garlic and seed garlic were neither materially injured nor threatened with material injury by reason of the subject imports from China. *Ibid.*, p. I-54. Commissioner Crawford found one like product corresponding to the scope of the original investigation, and found that the domestic industry producing that product was materially injured by reason of the LTFV imports. *Ibid.* p. I-1.

⁶¹ *Fresh Garlic From China, Inv. No. 731-TA-683 (Review)*, USITC Publication 3393, February 2001, pp. 5-6; and *Fresh Garlic from China, Inv. No. 731-TA-683 (Second Review)*, USITC Publication 3886, September 2006, p. 5; *Fresh Garlic from China, Inv. No. 731-TA-683 (Third Review)*, USITC Publication 4316, April 2012, pp. I-9-10.

the domestic interested parties agreed with the Commission's definition of the domestic like product as stated in the third review.⁶²

ACTIONS AT COMMERCE

Commerce has not conducted any critical circumstances reviews or anti-circumvention reviews since the completion of the last five-year review. In addition, Commerce has not made any company revocations or duty absorption findings since the imposition of the order.

Scope rulings

Since the imposition of the order, Commerce has completed one scope inquiry review. On April 13, 2011, General Mills, Inc. requested that the Department of Commerce review whether minced garlic for use in non-fresh applications was included within the scope of the antidumping duty order.⁶³ In July 2011, the Department of Commerce ruled that minced garlic for use in non-fresh applications were excluded from the antidumping duty order.⁶⁴

Changed circumstances reviews

Since the third review, Commerce has conducted two changed circumstances reviews of the antidumping duty order on fresh garlic from China. On July 7, 2015, Commerce determined that Lanling Qingshui Vegetable Foods Co., Ltd. ("Qingshui"), a producer/exporter of fresh and peeled garlic from China was the successor-in-interest to Cangshan Qingshui Vegetable Foods Co., Ltd. ("Cangshan Qingshui"). For purposes of the anti-dumping order on fresh garlic from China, Qingshui was entitled to Cangshan Qingshui's cash deposit rate with respect to entries of subject merchandise.⁶⁵

On September 14, 2015, Commerce determined that Jinxiang County Shanfu Frozen Co., Ltd. ("Shanfu II") operates in most material respects as a different business entity than Shanfu I, Yongjia Trade Co., Ltd.'s garlic supplier. Furthermore, Shanfu I officially and effectively ceased to operate for two years, having dissolved and de-registered in 2012. Therefore, Commerce determined that Shanfu II was not the successor-in-interest to Shanfu I, and, as such, was subject to the China-wide entity cash deposit rate with respect to entries of subject merchandise.⁶⁶

⁶² *Domestic Interested Parties' Response to the Notice of Institution*, May 2, 2017, p. 24.

⁶³ *Notice of Scope Rulings*, 77 FR 32568, June 1, 2012.

⁶⁴ *Issues and Decision Memorandum for the Final Results of Expedited Sunset Review of the Antidumping Duty Order on Fresh Garlic from the People's Republic of China, A-570-831, U.S. Department of Commerce Memorandum*, December 2011, p. 2.

⁶⁵ *Fresh Garlic From the People's Republic of China: Final Results of the Changed Circumstances Review of Lanling Qingshui Vegetable Foods Co., Ltd.*, 80 FR 38667, July 7, 2015.

⁶⁶ *Fresh Garlic From the People's Republic of China: Final Results of the Changed Circumstances Review*, 80 FR 57579, September 24, 2015.

Commerce's Administrative Reviews⁶⁷

Since 2012, when the antidumping order was last continued, Commerce has completed numerous administrative reviews and new shipper reviews of the antidumping order on fresh garlic from China. Table I-2 presents these administrative reviews and new shipper reviews, their period of review, and resulting margins or final results.

⁶⁷ Commerce has received numerous requests to conduct administrative reviews of Harmoni Spice, which has been granted a zero duty rate to export garlic since 2004. Los Angeles Business Journal, Competitors Raise Stink Over Garlic, <http://labusinessjournal.com/news/2016/apr/11/competitors-raise-stink-over-garlic/?page=2>, retrieved on April 11, 2016. High Country News, *Why I'm Fighting Foreign Garlic Growers and their U.S. Allies*, <http://www.hcn.org/articles/why-im-fighting-foreign-garlic-growers-and-their-u-s-allies>, retrieved on May 11, 2016.

Table I-2

Fresh garlic: Commerce's administrative and new shipper reviews, 2012-16

Period of review	Action	Manufacturer/Exporter	Firm-specific margin/Final Result
11/01/2008 – 10/31/2009 (76 FR 19322, April 7, 2011)	New shipper review	Jinxiang Chengda Imp & Exp Co., Ltd., Zhengzhou Huachao Industrial Co., Ltd., and Jinxiang Yuanxin Imp & Exp Co., Ltd.	Rescinded
11/01/2009 – 04/30/2010 (76 FR 52315, August 22, 2011)	New shipper review	Jining Yifa Garlic Produce Co., Ltd. and Shenzhen Bainong Co., Ltd.	Rescinded
11/01/2009 – 05/31/2010 (76 FR 52315, August 22, 2011)	New shipper review	Yantai Jinyan Trading Inc.	Rescinded
11/1/2009 – 10/31/2010 (77 FR 11486, February 27, 2012)	Administrative Review	Linshu Dading Private Agricultural Products Co., Ltd.	\$4.71/kg
		Linyi City Kangfa Foodstuff Drinkable Co., Ltd.	
		Shandong Chenhe Int'l Trading Co., Ltd.	
		Shenzhen Greening Trading Co., Ltd.	
		Sunny Import & Export Limited	
		Shandong Longtai Fruits and Vegetables Co., Ltd.	
		Weifang Hongqiao International Logistic Co., Ltd.	
11/1/2009 – 10/31/2010 (77 FR 11486, February 27, 2012)	Administrative Review	Jining Yifa Garlic Produce Co., Ltd.	Rescinded
		Jining Yongjia Trade Co., Ltd.	
		Jinxiang Chengda Import & Export Co., Ltd.	
		Jinxiang Hejia Co., Ltd.	
		Jinxiang Yuanxin Import & Export Co., Ltd.	
		Qingdao Sea-Line International Trading Co., Ltd.	
		Qingdao Tiantaixing Foods Co., Ltd.	
		Shandong Wonderland Organic Food Co., Ltd.	
		Shanghai L International Trading Co., Ltd.	
		Shenzhen Bainong Co., Ltd.	
		Weifang Chenglong Import & Export Co., Ltd.	
		XuZhou Simple Garlic Industry Co., Ltd.	
		Zhengzhou Huachao Industrial Co., Ltd.	
Zhengzhou Yuanli Trading Co., Ltd.			
11/01/2009 – 10/31/2010 (77 FR 34346, June 11, 2012)	Administrative Review	Hebei Golden Bird Trading Co., Ltd.	\$0.14/kg
		Shenzhen Xinboda Industrial Co., Ltd.	\$0.68/kg
		Henan Weite Industrial Co., Ltd.	\$0.41/kg
		Jinan Farmlady Trading Co., Ltd.	
		Qingdao Xintianfeng Foods Co., Ltd.	
		Chengwu County Yuanxiang Industry & Commerce Co., Ltd.	
		Yantai Jinyan Trading Co., Ltd.	

Table continued on next page.

Table I-2--Continued

Fresh garlic: Commerce's administrative and new shipper reviews, 2012-16

Period of review	Action	Manufacturer/Exporter	Firm-specific margin/Final Result
11/01/2011 – 10/31/2012 (79 FR 36721, June 30, 2014)	Administrative Review	Shenzhen Xinboda Industrial Co., Ltd	\$1.82/kg
		Qingdao Xintianfeng Foods Co., Ltd	
		Chegwu County Yuanxiang Industry & Commerce Co, Ltd.	
		Jinxiang Merry Vegetable Co., Ltd.	
		Cangshan Qingshui Vegetable Foods Co., Ltd.	
		Jining Yifa Garlic Produce Co., Ltd	
		Jinan Farmlady Trading Co., Ltd	
		Weifang Hongqiao International Logistics Co., Ltd.	
		Rate Applicable to the Remaining Companies Under Review	
		PRC-Wide Rate (which includes Hebei Golden Bird Trading Co., Ltd)	\$4.71/kg
11/01/2010-10/31/2011 (78 FR 18316, March 26, 2013)	New shipper review	Foshan Fuyi Food Co., Ltd.	Rescinded
		Qingdao May Carrier Import & Export Co., Ltd.	
11/01/2011 – 10/31/2012 (79 FR 22098, April 21, 2014)	New shipper review	Shijiazhuang Goodman Trading Co., Ltd.	Rescinded
11/01/2013-04/30/2014 (79 FR 62103, October 16, 2014)	New shipper review	Jinxiang Merry Vegetable Co., Ltd. and	\$3.33
		Cangshan Qingshui Vegetable Foods Co., Ltd.	\$3.06
11/01/2012-10/31/2013 (80 FR 34141, June 15, 2015)	Administrative Review	Chengwu County Yuanxiang Industry & Commerce Co., Ltd	\$1.82/kg
		Jinxiang Richfar Fruits & Vegetables Co., Ltd.	
		Qingdao Lianghe International Trade Co., Ltd.	
		Shandong Chenhe International Trading Co., Ltd.	
		Shenzhen Xinboda Industrial Co., Ltd	
		Weifang Hongqiao International Logistics Co., Ltd.	
		XuZhou Simple Garlic Industry Co., Ltd	
		PRC-Wide Rate (which includes Hebei Golden Bird Trading Co., Ltd)	\$4.71/kg
11/01/2014 – 04/30/2015 (81 FR 73378, October 25, 2016)	New shipper review	Jinxiang Huameng Imp & Exp Co., Ltd.	Rescinded

Table continued on next page.

Table I-2--Continued

Fresh garlic: Commerce’s administrative and new shipper reviews, 2012-16

Period of review	Action	Manufacturer/Exporter	Firm-specific margin/Final Result	
11/01/2013 – 10/31/2014 (81 FR 39897, June 20, 2016)	Administrative Review	Shenzhen Xinboda Industrial Co., Ltd	\$2.75/kg	
		Jinan Farmlady Trading Co., Ltd		
		Jining Maycarrier Import & Export Co., Ltd		
		Jining Shunchang Import & Export Co., Ltd		
		Jinxiang Feiteng Import & Export Co., Ltd		
		Jinxiang Guihua Food Co., Ltd		
		Jinxiang Hejia Co., Ltd		
		Jining Yongjia Trade Co., Ltd		
		Shenzhen Yuting Foodstuff Co., Ltd		
		Jining Shengtai Vegetables & Fruits Co., Ltd		
		Shenzhen Bainong Co., Ltd.		
		Weifang Hongqiao International Logistics Co., Ltd.		
		Yantai Jinyan Trading Inc.		
PRC-Wide Rate	\$4.71/kg			
11/01/2014 – 04/30/2015 (81 FR 73378, October 25, 2016)	New shipper review	Jinxiang Huameng Imp & Exp Co., Ltd.	Rescinded	
11/01/2014 – 10/31/2015 (82 FR 27230, June 14, 2017)	Administrative Review	Shenzhen Xinboda Industrial Co., Ltd.	\$2.27/kg	
		Jinan Farmlady Trading Co., Ltd.		
		Jining Alpha Food Co., Ltd.		
		Shandong Jinxiang Zhengyang Import & Export Co., Ltd.		
		Shenzhen Bainong Co., Ltd.		
		Weifang Hongqiao International Logistics Co., Ltd		
		PRC-Wide Rate		\$4.71/kg
		Qingdao Tiantaixing Foods Co., Ltd.		Rescinded
Zhengzhou Harmoni Spice Co., Ltd.				

Note. – The country-wide rate applies to all companies that otherwise have not received a “firm-specific” rate.

Source: Cited *Federal Register* notices.

Current five-year review

Commerce is conducting an expedited review with respect to fresh garlic from China and intends to issue the final result of this review based on the facts available not later than August 1, 2017.⁶⁸

THE INDUSTRY IN THE UNITED STATES

U.S. producers

The original investigation resulted from a petition filed on January 31, 1994 on behalf of the FGPA, consisting then of the following seven firms: Christopher Ranch; Belridge Packing Co.; Colusa Produce Corp.; Denice & Filice Packing Co.; El Camino Packing Co.; The Garlic Co.; and Vessey. At the time of the original investigation the combined fresh garlic production of those seven firms represented *** percent of U.S. production in crop year 2004. According to the petition filed in the original investigation, there were a total of 10 producers of fresh garlic in the United States, eight of which responded to the Commission's questionnaire. In addition to the seven petitioning firms, Jenard Fresh provided a questionnaire response. All eight companies were located in California. In 1994, Christopher Ranch was the largest producer of fresh market garlic in the United States, accounting for *** percent of reported production of fresh garlic in that year.⁶⁹

Between the original investigation and the first five-year review, two domestic fresh garlic producers that participated in the original investigation as members of FGPA, *** and ***, ceased production of fresh garlic. New members of the FGPA that participated in the first five-year review, in addition to 1994 members, were as follows: Crinklaw Farms; Dalena Farms; Frank Pitts Farms; Spice World ("Jenard Fresh"); and Thomson International, Inc. According to the petitioner, those combined 10 firms accounted for the vast majority of all U.S. production of fresh garlic at the time. Christopher Ranch remained the largest producer of fresh garlic in the United States at the time of the first five-year review, accounting for *** percent of reported U.S. production in crop year 2000.

In response to the Commission's notice of institution in the second five-year review, the FGPA filed a substantive response on behalf of its four members: Christopher Ranch; The Garlic Co.; Valley Garlic; and Vessey. Those four producers were believed to have accounted for approximately *** percent of U.S. fresh garlic production in 2005. The FGPA identified two additional domestic fresh garlic producers that did not participate in that review: George Chiala Farms, Inc., and Harris Fresh. Once again, the domestic producers were all located in California. That state alone reportedly accounted for 84 percent of the domestic fresh and dehydrated

⁶⁸ Letter from Edward Yang, Director, AD/CVD Operations, Office VII, Enforcement and Compliance, U.S. Department of Commerce to Michael G. Anderson, May 18, 2017.

⁶⁹ No. 731-TA-683 (Third Review): Fresh Garlic from China—Staff Report, INV-KK-032, March 21, 2012, p. I-15.

garlic market. In addition, the FGPA identified eight domestic fresh garlic producers that ceased production of garlic following the conclusion of the first five-year review--Frank Pitts Farms, Belridge Packing Co., Colusa Produce Corp., Crinklaw Farms, El Camino Packing Co., Thompson International, Inc., Denice & Filice Packing Co., and Dalena Farms.

In the third-five year review, domestic interested parties identified the same six domestic producers identified in the second five-year review in their response to the Commission's notice of institution.⁷⁰ The FGPA was not aware of any new market entrants or exits during that period of review.⁷¹ Once again, the domestic industry noted that the U.S. garlic industry was concentrated in California's Central Valley, primarily in Fresno, Kern, and Kings counties.⁷² During that period of review, although garlic was grown in virtually every state in the country, only two other states consistently planted at least 500 acres of garlic per year: Nevada and Oregon.⁷³ The USDA reported that for total U.S. production of garlic (including that for the fresh market and for processing), the total garlic plantings decreased by 24.0 percent from 30,400 acres in 2005 to 23,100 acres by 2010.⁷⁴

In response to the Commission's notice of institution in this review, domestic interested parties provided a list of the same six domestic producers identified in the third five-year review that currently produce fresh garlic in the United States.⁷⁵ None of the four domestic producers represented by the FGPA import fresh garlic from China and no FGPA producers are related to any importers or exporters of subject fresh garlic.⁷⁶ The domestic interested parties reported there have been no significant changes in the supply of fresh garlic in the U.S. market since the third five-year review as there have been no known new entrants or exits in the industry.⁷⁷ The USDA reports that for total U.S. production of garlic (including that for fresh market and for processing), the total garlic plantings decreased by 4.1 percent from 25, 650 acres in 2011 to 24,600 acres in 2016.⁷⁸

Definition of the domestic industry and related party issues

The domestic industry is defined as the U.S. producers as a whole of the domestic like product, or those producers whose collective output of the domestic like product constitutes a major proportion of the total domestic production of the product. Under the related parties

⁷⁰ *Fresh Garlic from China, Inv. No. 731-TA-683 (Third Review)*, USITC Publication 4316, April 2012, p. I-13.

⁷¹ *Ibid.*

⁷² *Fresh Garlic from China, Inv. No. 731-TA-683 (Third Review)*, USITC Publication 4316, April 2012, p. I-13.

⁷³ *Ibid.*

⁷⁴ *Ibid.*

⁷⁵ *Domestic Interested Parties' Response to the Notice of Institution*, May 2, 2017, p. 12.

⁷⁶ *Ibid.*

⁷⁷ *Domestic Interested Parties' Response to the Notice of Institution*, May 2, 2017, p. 16.

⁷⁸ *Domestic Interested Parties' Response to the Notice of Institution*, May 2, 2017, p. 17.

provision, the Commission may exclude a related party for purposes of its injury determination if “appropriate circumstances” exist.⁷⁹

In the original investigation, the Commission found three domestic industries consisting of the domestic producers of fresh garlic, the domestic producers of dehy garlic, and the domestic producers of seed garlic to coincide with the three like products. The Commission also found that crop tenders were not members of the domestic industry based on their limited involvement in the actual production of fresh garlic and the lack of coincidence of economic interest with producers of fresh garlic.⁸⁰ In the first five-year review, the Commission, consistent with its definition of the like product, defined a single domestic industry as all producers of fresh garlic.⁸¹ In the first and second reviews, the Commission defined the domestic industry as all producers of fresh garlic consistent with its domestic like product definition in the original investigation and with Commerce’s narrower scope.⁸²

In its notice of institution for this review, the Commission solicited comments from interested parties regarding the appropriate definition of the domestic industry and inquired as to whether any related parties issues existed. The domestic interested parties did not cite any potential related parties issues and agreed with the Commission’s prior definition of the domestic industry.⁸³ FGPA noted, however, that they had no knowledge of whether domestic producers Harris Fresh or George Chiala Farms are importers of subject merchandise or related to an importer or exporters of fresh garlic from China.⁸⁴

U.S. producers’ trade and financial data

The Commission asked domestic interested parties to provide trade and financial data in their response to the notice of institution of the current five-year review.⁸⁵ In their response to the Commission’s notice of institution, the domestic interested party noted that demand for fresh garlic in the United States has expanded while domestic production has declined, with no new entrants into the market.⁸⁶ Table I-3 presents a compilation of the data submitted from all responding U.S. producers in this current five-year review, as well as trade and financial data submitted by U.S. producers in the original investigations and the first, second, and third five-year reviews.

⁷⁹ Section 771(4)(B) of the Tariff Act of 1930, 19 U.S.C. § 1677(4)(B).

⁸⁰ *Fresh Garlic from China, Inv. No. 731-TA-683 (Final)*, USITC Publication 3393, February 2001, pp. 5-6.

⁸¹ *Fresh Garlic From China, Inv. No. 731-TA-683 (Review)*, USITC Publication 3393, February 2001, pp. 5-6.

⁸² *Fresh Garlic from China, Inv. No. 731-TA-683 (Third Review)*, USITC Publication 4316, April 2012, p. I-5.

⁸³ *Domestic Interested Parties’ Response to the Notice of Institution*, May 2, 2017, p. 12.

⁸⁴ *Ibid.*

⁸⁵ Individual company trade and financial data are presented in app. B.

⁸⁶ *Domestic Interested Parties’ Response to the Notice of Institution*, May 2, 2017, p. 16.

Table I-3**Fresh garlic: Trade and financial data submitted by U.S. producers, 1994, 200, 2005, 2011, and 2016**

Item	1994	2000	2005	2011	2016
Capacity (1,000 pounds)	141,274	198,995	(¹)	***	***
Production (1,000 pounds)	100,307	152,571	***	***	***
Capacity utilization (percent)	66.7	76.7	(¹)	***	***
U.S. commercial shipments:					
Quantity (1,000 pounds)	82,102	128,415	***	***	***
Value (\$1,000)	52,966	89,616	***	***	***
Unit value (per pound)	0.65	0.70	***	***	***
Internal consumption/company transfers:					
Quantity (1,000 pounds)	(¹)	***	***	***	***
Value (\$1,000)	(¹)	***	***	***	***
Unit value (per pound)	(¹)	***	***	***	***
Total U.S. shipments:					
Quantity (1,000 pounds)	82,102	***	***	***	***
Value (\$1,000)	52,966	***	***	***	***
Unit value (per pound)	0.65	***	***	***	***
Net sales (\$1,000)	60,554	94,902	(¹)	***	***
COGS (\$1,000)	54,757	75,595	(¹)	***	***
COGS/net sales	90.4	79.7	(¹)	***	***
Gross profit or (loss) (\$1,000)	5,797	19,307	(¹)	***	***
SG&A expenses (loss) (\$1,000)	***	16,029	(¹)	***	***
Operating income/(loss) (\$1,000)	(960)	3,278	(¹)	***	***
Operating income (loss)/net sales (percent)	(1.6)	3.5	(¹)	***	***

(¹) Not available.

Source: For the years 1994, 2000, 2005, and 2011, data are compiled using data submitted in the Commission's original staff report and subsequent five-year reviews. *See app. C*. For the year 2016, data are compiled using data submitted by domestic interested parties. *Domestic Interested Parties' Response to the Notice of Institution*, May 2, 2017, p. 15.

U.S. IMPORTS AND APPARENT CONSUMPTION

U.S. importers

In the original investigation, the Commission identified 52 importers that were believed to have accounted for 100 percent of total garlic imports from China at that time. The Commission received usable importer questionnaire responses from 17 firms in the original investigation. In the first five-year review, the Commission identified 21 importing firms. Of

those 21 firms, only two reported imports of fresh garlic from China, but reported data was outside the 3-year reporting period. Therefore, the Commission relied on official Commerce statistics in that review. In response to the Commission's request in its notice of institution in the second five-year review, the FGPA listed 81 importers of the subject merchandise from China. The domestic interested parties participating in the third five-year review provided information concerning 84 companies that are believed to be possible importers of subject merchandise from China.⁸⁷

In its response to the Commission's notice of institution in this current five-year review, FGPA noted that "China remains the largest source by far of imports of fresh garlic into the United States, and subject imports continue to sell at prices far below those for domestically produced garlic."⁸⁸ The domestic interested party also noted that subject imports have increased over the period of investigation and believes that subject import volume would likely increase significantly if the order were revoked.⁸⁹ Although the Commission did not receive responses from any respondent interested parties in this current review, in its response to the Commission's notice of institution, the domestic interested parties provided a list of 137 potential U.S. importers of fresh garlic.⁹⁰

U.S. imports

Table I-4 presents the quantity, value, and unit value for imports from China as well as the other top sources of U.S. imports (shown in descending order of 2016 imports by quantity) as reported by Commerce. Imports from China decreased slightly by 13.3 percent from 2012 to 2016, from 138.3 million pounds to 120.0 million pounds. Nonsubject imports increased by 176.0 percent between 2012 and 2016, from 26.3 million pounds to 7 million pounds. The value of both subject and nonsubject imports increased during the period.

In 2015, the California garlic crop was reportedly lower in both quality and volume because of poor weather conditions. Christopher Ranch reported that "due to poor quality and low volumes, we sold out of the 2015 crop ahead of projections and had to balance that with record levels of imports from many customers, driving up the price of imports."⁹¹ Lower production affects not only the current crop, but also the production of seed garlic for the next crop cycle. Ranch further noted that "We've seen the average price of garlic go up by five percent relative to last year" and that the company "has seen pricing increases faster on imported garlic than California garlic."

⁸⁷ *Fresh Garlic from China, Inv. No. 731-TA-683 (Third Review)*, USITC Publication 4316, April 2012, p. I-15.

⁸⁸ *Domestic Interested Parties' Response to the Notice of Institution*, May 2, 2017, p. 12.

⁸⁹ *Domestic Interested Parties' Response to the Notice of Institution*, May 2, 2017, p. 7.

⁹⁰ *Domestic Interested Parties' Response to the Notice of Institution*, May 2, 2017, exhibit 8.

⁹¹ *Fresh Plaza, California Garlic Is Seeing Tight Supplies and High Demand*, <http://www.freshplaza.com/article/173482/California-garlic-is-seeing-tight-supplies-and-high-demand>, retrieved June 9, 2017.

Table I-4
Fresh garlic: U.S. imports, 2012-16

Item	2012	2013	2014	2015	2016
	Quantity (1,000 pounds)				
China (subject)	138,295	139,702	143,486	131,493	119,904
Mexico	18,503	15,506	22,083	25,449	27,625
Argentina	6,506	4,522	7,675	12,965	15,334
Spain	17	21	3,547	20,531	23,206
Peru	53	0	50	161	1,387
Canada	478	400	52	150	373
India	21	6	6	0 ¹	338
Ecuador	4	4	2	0	12
All other imports (nonsubject)	738	899	884	2,275	4,373
Total imports	164,615	161,060	177,785	193,025	192,552
	Landed, duty-paid value (\$1,000)				
China (subject)	135,847	176,557	122,508	133,992	150,390
Mexico	10,102	8,614	9,588	11,709	15,980
Argentina	5,532	4,700	5,712	9,133	13,026
Spain	25	30	5,087	25,176	35,944
Peru	34	0	63	201	1,585
Canada	380	283	258	284	370
India	24	5	5	3	332
Ecuador	6	7	3	0	15
All other imports (nonsubject)	770	1,160	1,293	2,802	4,263
Total imports	152,719	191,355	144,516	183,301	221,904
	Unit value (dollars per pound)				
China (subject)	0.98	1.26	0.85	1.02	1.25
Mexico	0.55	0.56	0.43	0.46	0.58
Argentina	0.85	1.04	0.74	0.70	0.85
Spain	1.47	1.43	1.43	1.23	1.55
Peru	0.64	--	1.26	1.25	1.14
Canada	0.79	0.71	4.96	1.89	0.99
India	1.14	0.83	0.83	--	0.98
Ecuador	1.50	1.75	1.50	--	1.25
All other imports (nonsubject)	1.04	1.29	1.46	1.23	0.97
Total imports	0.93	1.19	0.81	0.95	1.15

Note.--Because of rounding, figure may not add to total shown.

¹Less than 0.1.

Source: Official statistics of Commerce for HTS statistical reporting numbers 0703.20.0000, 0703.20.0005, 0703.20.0010, 0703.20.0015, 0703.20.0020, and 0703.20.0090. The data does not include HTS statistical reporting numbers 0710.80.7060, 0710.80.9750, 0711.90.6000, 0711.90.6500, 2005.90.9500, 2005.90.9700, or 2005.99.9700 which are "basket categories" containing out-of-scope merchandise.

Apparent U.S. consumption and market shares

Table I-5 presents data on U.S. producers' U.S. shipments, U.S. imports, and apparent U.S. consumption. USDA data show that U.S. demand for all garlic (both fresh and dried) has grown since the last sunset review. USDA data indicate that domestic demand for all garlic (both fresh and dried), on a per capita basis, increased by 14 percent between 2012 and 2016, from 2.3 pounds per person to 2.6 pounds per person.⁹²

Table I-5

Fresh garlic: U.S. producers' U.S. shipments, U.S. imports, and apparent U.S. consumption, 1994, 2000, 2005, 2011 and 2016

Item	1994	2000	2005	2011	2016
	Quantity (1,000 pounds)				
U.S. producers' U.S. shipments	82,102	128,415	***	***	***
U.S. imports from—					
China	63,532	1,030	111,988	137,018	119,904
All other	34,677	56,972	41,540	22,464	72,648
Total imports	98,209	58,002	153,528	159,528	192,552
Apparent U.S. consumption	180,311	186,417	***	***	***
	Value (1,000 dollars)				
U.S. producers' U.S. shipments	52,966	89,616	***	***	***
U.S. imports from—					
China	20,014	182	59,494	97,947	150,390
All other	17,697	28,848	25,796	17,002	71,514
Total imports	37,711	29,031	85,290	114,949	221,904
Apparent U.S. consumption	90,677	118,647	***	***	***

Source: For the years 1994, 2000, 2005, and 2011 U.S. producers' U.S. shipments are compiled from Investigation No. 731-TA-683 (Third Review): Fresh Garlic from China –Staff Report, INV-KK-032, March 21, 2012, table I-4. See app. C. During 1994, these data accounted for *** percent of production, in 2000 these data accounted for the vast majority of production, in 2005 these data accounted for *** percent of production, in 2011 these data accounted for *** percent of production, and in 2016 these data accounted for *** percent of production. For the year 2016, U.S. producers' U.S. shipments are compiled from the Domestic Interested Parties' Response to the Notice of Institution, May 2, 2017, pp. 15-16 and U.S. imports are compiled using official Commerce statistics under HTS subheadings 0703.20.0010, 0703.20.0020, and 0703.20.0090. Data for U.S. producers' U.S. shipments represent only FGPA producers.

⁹² USDA ERS Vegetable and Pulse Yearbook Table 25 "U.S. Garlic, All Uses." <https://www.ers.usda.gov/data-products/vegetables-and-pulses-data/yearbook-tables.aspx>.

Table I-6 presents data on U.S. market shares of U.S. apparent consumption.

Table I-6

Fresh garlic: Apparent U.S. consumption and U.S. market shares, 1994, 2000, 2005, 2011 and 2016

Item	1994	2000	2005	2011	2016
	Quantity (1,000 pounds)				
Apparent U.S. consumption	180,311	186,417	***	***	***
	Value (1,000 dollars)				
Apparent U.S. consumption	90,677	118,647	***	***	***
	Share of consumption based on quantity (percent)				
U.S. producer's share	45.5	68.9	***	***	***
U.S. imports from--					
China	35.2	0.6	***	***	***
All other sources	19.3	30.6	***	***	***
Total imports	54.5	31.1	***	***	***
	Share of consumption based on value (percent)				
U.S. producer's share	58.4	75.5	***	***	***
U.S. imports from--					
China	22.1	0.2	***	***	***
All other sources	19.5	24.3	***	***	***
Total imports	41.6	24.5	***	***	***

Source: For the years 1994, 2000, 2005, and 2011 were compiled from Investigation No. 731-TA-683 (Third Review): Fresh Garlic from China –Staff Report, INV-KK-032, March 21, 2012, table I-4. See app. C. For the year 2016, U.S. producers' U.S. shipments are compiled from the Domestic Interested Parties' Response to the Notice of Institution, May 2, 2017, pp. 15-16 and U.S. imports are compiled using official Commerce statistics under HTS subheadings 0703.20.0010, 0703.20.0020, and 0703.20.0090. Data for U.S. producers' U.S. shipments represent only FGPA producers.

THE INDUSTRY IN CHINA

During the final phase of the original investigation, the Commission did not receive any foreign producer/exporter questionnaire responses. The only data provided on the industry in China was furnished by the U.S. Embassy in Beijing, the Embassy of China in Washington, D.C., and the Ministry of Foreign Trade and Economic Cooperation. During the time of the Commission's original investigation, Chinese officials maintained that accurate statistics on Chinese garlic production were not available because the garlic industry in China was highly fragmented with the number of garlic growers estimated to be in the millions.⁹³ Historically, the Chinese government limited the number of firms that could export garlic; in 1993, however,

⁹³ *Fresh Garlic from The People's Republic of China, Inv. No. 731-TA-683 (Final)*, USITC Publication 2825, November 1994, p. II-50.

due primarily to rapid marketization in China and the transfer of regulatory authority from the central government to the provinces, many small private firms entered the garlic exporting business.⁹⁴ In part as a response to the surge in exports, in early 1994 the Chinese Government announced new regulations regarding the export of garlic, along with 12 other agricultural commodities. Under these regulations, and as a result of a bidding process, only 16 firms were authorized to export garlic in 1994. The new regulations limited each of these firms to a fixed quota for which they paid a fee based on the quota allotment. According to the Chinese Chamber of Commerce, the total quota was 100,000 metric tons (220.5 million pounds) for calendar year 1994 and 120,000 metric tons (264.6 million pounds) for calendar year 1995.⁹⁵

During the first five-year review, the Commission identified 24 possible foreign producers/exporters and issued questionnaires to these firms. Four respondent firms, represented by counsel, completed questionnaires and four other firms responded, indicating that they had not exported garlic to the United States since 1994.⁹⁶

In the expedited second five-year review, the Commission did not directly receive any additional information on production or shipments from Chinese firms directly from Chinese producers. However, in response to the Commission request in its notice of institution for a list of all known and currently operating producers of the subject merchandise in China that currently export or have exported subject merchandise to the United States or other countries after May 2000, the FGPA identified 106 foreign producers/exporters in China.⁹⁷ The potential production capability of these firms was not submitted by the domestic interested parties and was not readily available from public sources. However, countrywide information was available and compiled by staff. In its 2006 expiry review of an antidumping duty order on fresh garlic from China, the government of Canada found that China was the largest producer of garlic in the world, representing approximately 75 percent of world production in 2004. Further, in 2003, the last year for which export statistics were available at the time of the second expedited five-year review, China represented approximately 80 percent of the world garlic export market. According to findings in that expiry review, China's capacity to produce garlic continued to increase each year and the 2004 production level represented a 60-percent increase over the 2000 production level.⁹⁸

The Food and Agriculture Organization ("FAO"), which compiles information on worldwide food production for the United Nations, publishes data on the country-level production of all types of garlic (including garlic destined for dehydration). According to FAO

⁹⁴ Ibid.

⁹⁵ *Fresh Garlic from The People's Republic of China, Inv. No. 731-TA-683 (Final)*, USITC Publication 2825, November 1994, p. II-50.

⁹⁶ *Fresh Garlic from China, Inv. No. 731-TA-683 (Review)*, USITC Publication 3393, February 2001, p. IV-3-IV-4.

⁹⁷ *Fresh Garlic from China, Inv. No. 731-TA-683 (Second Review)*, USITC Publication 3886, September 2006, p. I-23.

⁹⁸ *Fresh Garlic from China, Inv. No. 731-TA-683 (Second Review)*, USITC Publication 3886, September 2006, p. I-24.

data, China produced 24,457 million pounds of garlic in 2005. The FAO data also showed annual increases in China's total garlic production in each year from 1995-2005. Even with increased production in 2005 it was reported that China "ran out of garlic in the early summer" of 2005. This shortage reportedly drove up the price of garlic from China to \$13.00 per box when garlic produced by Christopher Ranch was selling for \$20.00 per box.⁹⁹

In the expedited third five-year review, the Commission again did not receive information directly from Chinese producers. However, in response to the Commission request in its notice of institution for a list of all known and currently operating producers of the subject merchandise in China that currently export or have exported subject merchandise to the United States or other countries after 2005, the FGPA identified 121 foreign producers/exporters in China.¹⁰⁰ However, countrywide information was available and compiled by staff. From 2005-2009, China averaged 78 percent of global production.¹⁰¹ FAO data on the quantity of garlic produced in China indicated that while garlic production fell slightly in 2009 to 39,612 million pounds, Chinese production volume still represented greater than a 60 percent increase compared with 2005 levels.¹⁰² A speculative bubble pushed domestic Chinese prices of garlic up significantly in late 2009 and early 2010,¹⁰³ however the quantity of Chinese garlic exports dipped less than 15 percent in 2010, the last year for which export statistics were available at the time of review. Despite the period of higher domestic prices, China still captured 88 percent of the global garlic export market in 2010, by quantity, down from 90 percent in 2009.¹⁰⁴ In addition, according to the FAO, acres of garlic harvested in China increased by 20.2 percent between 2005 and 2009, from 648,136 hectares to 779,232 hectares.¹⁰⁵

In its response to the Commission's notice of institution in the current five-year review, the FPGA identified 170 foreign producers/exporters of subject merchandise in China that currently export or have exported subject merchandise to the United States since 2011.¹⁰⁶ Domestic producers also presented in their response to the notice of institution data regarding (capacity, production, exports, etc. of producers of fresh garlic from China).

⁹⁹ *Fresh Garlic from China, Inv. No. 731-TA-683 (Second Review)*, USITC Publication 3886, September 2006, pp. I-23-I-26.

¹⁰⁰ *Fresh Garlic from China, Inv. No. 731-TA-683 (Third Review)*, USITC Publication 4316, April 2012, p. I-24. March 21, 2012, p. I-19.

¹⁰¹ *Ibid.*

¹⁰² *Fresh Garlic from China, Inv. No. 731-TA-683 (Third Review)*, USITC Publication 4316, April 2012, p. I-24. March 21, 2012, p. I-20.

¹⁰³ *CNNMoney, Inside China's Garlic Bubble*, http://archive.fortune.com/2010/03/23/news/international/china_garlic_bubble.fortune/index.htm, retrieved March 24, 2010.

¹⁰⁴ *No. 731-TA-683 (Third Review): Fresh Garlic from China—Staff Report*, INV-KK-032, March 21, 2012, p. I-25.

¹⁰⁵ *Fresh Garlic from China, Inv. No. 731-TA-683 (Third Review)*, USITC Publication 4316, April 2012, p. I-24. March 21, 2012, p. I-19 - I-20.

¹⁰⁶ *Domestic Interested Parties' Response to the Notice of Institution*, May 2, 2017, exh. 9.

Based on FAO data, China remains the world's largest producer of garlic, accounting for about 80 percent of world garlic production in 2014 (the most recent year for which data were available). Chinese garlic production increased by 1.5 million tons over the last four years (2010 through 2014), an 8 percent increase from 18.5 million metric tons in 2010 to almost 20 million tons in 2014.¹⁰⁷ During this period, China's harvested garlic acreage declined by 1.6 percent.¹⁰⁸ According to news reports, because 2014 garlic prices were low, many Chinese garlic farmers planted less garlic acreage in 2015.¹⁰⁹ Less harvested acreage in 2015, a smaller garlic crop in 2016, and market speculation reportedly led to record garlic prices, reaching 20 Yuan per kilo in 2016-2017.¹¹⁰ The price of garlic in China almost doubled.^{111 112} In the winter of 2016, Shandong province (one of China's main garlic producing regions) experienced unseasonably cold temperatures, resulting in estimated crop losses ranging between 10 to 20 percent; Jinxiang province expected losses to reach 20 percent.¹¹³ Jinxiang is reportedly the largest garlic processing and sales center in China and its garlic stock level was 285,000 tons lower in early 2017 than it was in early 2016.¹¹⁴ Increasing garlic prices may also have attracted more capital investment in China. The Secretary of the China Garlic Industry Alliance said that the "primary factor that impacted garlic prices is the reduction of production volume" and that "promising returns attracted too much investment in garlic...which further pushed up the price."^{115 116}

¹⁰⁷ FAOSTAT Crop data <http://www.fao.org/faostat/en/#data/QC>. China's garlic yield improved by 9.8 percent during this period despite the decline in harvested acreage.

¹⁰⁸ FAOSTAT Crop data <http://www.fao.org/faostat/en/#data/QC>

¹⁰⁹ Fresh Plaza, *China: Garlic Export Prices Slide*, <http://www.freshplaza.com/article/172051/China-Garlic-export-prices-slide>, retrieved June 9, 2017.

¹¹⁰ Fresh Plaza, *China Garlic Prices Hit Nearly 20 Yuan per Kilo*, <http://www.freshplaza.com/article/169387/China-Garlic-prices-hit-nearly-20-Yuan-per-kilo>, retrieved June 9, 2017.

¹¹¹ The Financial Times, *China Grapples with Garlic Price Bubble*, <https://www.ft.com/content/f1c91d36-9d39-11e6-8324-be63473ce146>, retrieved June 9, 2017.

¹¹² According to one source, "Big white garlic that usually goes for 8-10 RMB a kilogram, is currently being sold for 20 RMB a kilogram." Fresh Plaza, *China: Cultivation Area for Garlic Grew More Than 20% in 2017*, <http://www.freshplaza.com/article/174487/China-Cultivation-area-for-garlic-grew-more-than-20-procent-in-2017>, retrieved June 9, 2017.

¹¹³ Fresh Plaza, *Overview Global Market Garlic*, <http://www.freshplaza.com/article/157854/OVERVIEW-GLOBAL-MARKET-GARLIC>, retrieved June 9, 2017.

¹¹⁴ Fresh Plaza, *China Garlic Prices Hit Nearly 20 Yuan per Kilo*, <http://www.freshplaza.com/article/169387/China-Garlic-prices-hit-nearly-20-Yuan-per-kilo>, retrieved June 9, 2017.

¹¹⁵ Fresh Plaza, *China Garlic Prices Hit Nearly 20 Yuan per Kilo*, <http://www.freshplaza.com/article/169387/China-Garlic-prices-hit-nearly-20-Yuan-per-kilo>, retrieved June 9, 2017.

¹¹⁶ Fresh Plaza, *How Hot Money is Disrupting China's Garlic Industry*, <http://www.freshplaza.com/article/168250/How-hot-money-is-disrupting-Chinas-garlic-industry>, retrieved June 9, 2017.

Reportedly, due to high garlic prices, garlic acreage under cultivation in China increased by more than 20 percent between 2016 and 2017, and in some regions reportedly increased by as much as 30 percent.¹¹⁷ ¹¹⁸ “In 2017, the national garlic production area was 333,333 hectares (823,683 acres). Compared to 284,650 hectares (703,385 acres) in 2016...”¹¹⁹ Garlic prices are expected to fall in 2017 based on increasing garlic production and expectations of a bumper harvest this year. A 2017 survey showed the price of garlic dropping in 2017 as new garlic enters the market.¹²⁰ ¹²¹ According to market statistics, Chinese garlic prices are falling in 2017, to between 1.3 to 2.2 yuan per kilo (32 percent lower than the price in 2016).¹²²

¹¹⁷ Fresh Plaza, *China: Cultivation Area for Garlic Grew More Than 20% in 2017*, <http://www.freshplaza.com/article/174487/China-Cultivation-area-for-garlic-grew-more-than-20-percent-in-2017>, retrieved June 9, 2017.

¹¹⁸ Fresh Plaza, *China: Garlic Prices to Trend Downwards in 2017*, <http://www.freshplaza.com/article/171174/China-Garlic-prices-to-trend-downwards-in-2017>, retrieved June 9, 2017.

¹¹⁹ Fresh Plaza, *China Adds 45,000 hectares of New Garlic Plantations*, <http://www.freshplaza.com/article/176184/China-adds-45,000-hectares-of-new-garlic-plantations>, retrieved June 9, 2017. Note: This acreage data does not correspond well to FAO’s most recent (2014) reported garlic acreage of 785,452 hectares in mainland China but the Fresh Plaza article cited the China Agriculture Research Report that Staff were unable to locate.

¹²⁰ Fresh Plaza, *China: Prices of Garlic Substantially Lower*, <http://www.freshplaza.com/article/10098/China-Prices-for-garlic-substantially-lower>, retrieved June 9, 2017.

¹²¹ Fresh Plaza, *China: Price of Taian Garlic Continues to Drop*, <http://www.freshplaza.com/article/174031/China-Price-of-Taian-garlic-continues-to-drop>, June 9, 2017.

¹²² Fresh Plaza, *China: Garlic Prices Dropped over 30% in the Last Week*, <http://www.freshplaza.com/article/175665/China-Garlic-prices-dropped-over-30-percent-in-the-last-week>, June 9, 2017.

Table I-7 presents export data for fresh garlic from China in descending order of quantity for 2016.

Table I-7

Fresh garlic: Exports of fresh garlic from China, by destination, 2012-16

Item	Calendar year				
	2012	2013	2014	2015	2016
Quantity (1,000 pounds)					
Indonesia	881,700	984,279	1,094,023	1,051,477	970,488
Vietnam	304,303	358,642	382,017	357,960	333,940
Malaysia	194,234	218,844	227,277	250,382	264,410
Brazil	212,630	275,542	226,015	233,784	190,479
Philippines	144,488	150,012	148,081	150,073	137,015
United Arab Emirates	81,579	92,807	101,005	131,040	133,408
United States	139,821	138,296	142,040	128,051	120,493
Pakistan	63,997	97,195	135,344	150,980	105,410
Korea	65,292	26,854	35,176	83,503	98,484
Russia	84,493	93,071	96,692	103,125	94,222
All other countries	944,027	1,149,399	1,274,951	1,226,633	925,845
Total	3,116,564	3,584,940	3,862,620	3,867,007	3,374,192

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

Source: Global Trade Information Services, Inc., Global Trade Atlas, HTS subheading 0703.20, accessed on June 1, 2017. HTS subheadings 0710.80, 0711.90, 2005.90, and 2005.99 are "basket categories" and may cover both subject and non-subject merchandise. These HTS subheadings may cover a significant amount of non-subject merchandise and therefore have been excluded for purposes of reporting import statistics.

ANTIDUMPING OR COUNTERVAILING DUTY ORDERS IN THIRD-COUNTRY MARKETS

At the time of the original investigation, fresh garlic exported from China was not subject to any known antidumping proceedings in other countries. Since that time, however, fresh garlic exports from China have faced antidumping duty orders and other import barriers in the form of phytosanitary measures and quotas.¹²³ Brazil has maintained antidumping duties against fresh garlic from China since January 1996. In November 2013, Brazil determined to extend the duties for an additional five years.¹²⁴ South Africa also imposed antidumping duties on fresh garlic imports from China in November 2000. In October 2015, South Africa determined to extend the duties for an additional five years.¹²⁵ In 2006, Canada conducted a sunset review of its 1997 antidumping duty order on fresh garlic from China. The government determined that if the order was revoked, dumping of fresh garlic from China was likely to recur, but based on the absence of domestic industry participation, the government could not make a finding as to whether injury was likely to result from revocation, and thus, rescinded the finding and order, effective March 2007.¹²⁶

Chinese garlic is subject to tariff restrictions and import quotas imposed by the European Union (“EU”), Korea, Morocco, Taiwan, and Thailand. China maintains a quota agreement with the EU that allows it to export 48,225 metric tons (106 million pounds) of garlic to the EU annually. These imports are also subject to an *ad valorem* tariff of 9.6 percent.¹²⁷ Korea maintains a quota system on imports of garlic, allowing in 14,467 metric tons (31 million pounds). This quota also imposes an *ad valorem* tariff of 50 percent, while imports above the quota are subject to tariffs of 360 percent or 1,800 won per kilogram.¹²⁸ Thailand imposes a quota on imports of all garlic of 65 metric tons (143 thousand pounds).¹²⁹ In 2017, Taiwan established both an import quota and tariff rate quota on garlic imports from China. The import

¹²³ *Fresh Garlic from China, Inv. No. 731-TA-683 (Third Review)*, USITC Publication 4316, April 2012, p. I-17.

¹²⁴ World Trade Organization, Semi-Annual Report under Article 16.4 of the Agreement: Brazil, G/ADP/N/294/KOR, February 24, 2017, p. 11.

¹²⁵ World Trade Organization, Semi-Annual Report under Article 16.4 of the Agreement: South Africa, G/ADP/N/294/KOR, March 13, 2017, p. 5.

¹²⁶ *Fresh Garlic from China, Inv. No. 731-TA-683 (Third Review)*, USITC Publication 4316, April 2012, p. I-18; and Canada International Trade Tribunal, Garlic, Expiry Review No. RR-2005-001, http://www.citt-tcce.gc.ca/dumping/reviews/orders/rr2f01b_e.asp, accessed on March 20, 2012.

¹²⁷ *Domestic Interested Parties’ Response to the Notice of Institution*, May 2, 2017, p. 20; Commission Implementing Regulation (EU) 2014/2243 of 13 December 2016 amending Regulation (EC) No. 341/2007 as regards the import tariff quota for garlic originating in China (December 14, 2016); and European Commission TARIC measure information (April 28, 2017).

¹²⁸ *Domestic Interested Parties’ Response to the Notice of Institution*, May 2, 2017, p. 21; and Trade Policy Review, Report by Secretariat, Republic of Korea, World Trade Organization Trade Policy Review Body, WT/TPR/G/346/Rev. 1, January 6, 2017.

¹²⁹ *Domestic Interested Parties’ Response to the Notice of Institution*, May 2, 2017, p. 21; and World Trade Organization, Committee on Agriculture, G/AG/N/THA/84, February 17, 2017, (Thailand).

quota limits imports of garlic to 4,739.5 metric tons (10 million pounds) for the period of January 10 – December 31, 2017. There is also a specific tariff rate for garlic bulb imports of 3,520 metric tons (7 million pounds).¹³⁰ Additionally, Morocco maintains an *ad valorem* tariff on garlic imports of 40.0 percent.¹³¹

Phytosanitary measures such as fungicide limitations, food safety requirements, and pest risk-analysis requirements have also hindered Chinese exports in some markets. For example, in 2015, Peru imposed pest risk analysis requirements on imports of garlic from China.¹³² Similarly, Canada imposed phytosanitary measures on garlic from China in 2015, setting maximum residue limits on the chemical fludioxonil.¹³³ Phytosanitary measures specific to garlic from China have also been enacted by Brazil, which imposed two food safety measures related to chemicals used as active ingredients in pesticides.¹³⁴ Mexico, which banned imports of garlic from China based on phytosanitary concerns in 1993, imposed additional phytosanitary certification requirements for garlic from China in 1996.¹³⁵ In 2017, Korea proposed food safety related phytosanitary measures that mandated additional testing criteria for garlic imports.¹³⁶ A number of measures specific to Chinese garlic have also been imposed by Chile, New Zealand, and Venezuela in the past.¹³⁷

¹³⁰ *Domestic Interested Parties' Response to the Notice of Institution*, May 2, 2017, p. 22; World Trade Organization, Committee on Agriculture, G/AG/N/TPKM/147, February 15, 2017, (Taiwan); and World Trade Organization, Committee on Agriculture, G/AG/N/TPKM/148/Corr. 1, March 21, 2017, (Taiwan).

¹³¹ *Domestic Interested Parties' Response to the Notice of Institution*, May 2, 2017, p. 22; and Trade Policy Review, Report by the Secretariat, Kingdom of Morocco, World Trade Organization Trade Policy Review Body, WT/TPR/S/329/Rev. 1, June 15, 2016.

¹³² *Domestic Interested Parties' Response to the Notice of Institution*, May 2, 2017, p. 23; and World Trade Organization, Committee on Sanitary and Phytosanitary Measures, G/SPS/N/PER/599, April 9, 2015, (Peru).

¹³³ *Domestic Interested Parties' Response to the Notice of Institution*, May 2, 2017, p. 23; and World Trade Organization, Committee on Sanitary and Phytosanitary Measures, G/SPS/N/CAN/941/Add. 1, October 16, 2015, (Canada).

¹³⁴ *Domestic Interested Parties' Response to the Notice of Institution*, May 2, 2017, p. 23; World Trade Organization, Committee on Sanitary and Phytosanitary Measures, G/SPS/N/BRA/1154/, July 4, 2016, (Brazil); and World Trade Organization, Committee on Sanitary and Phytosanitary Measures, G/SPS/N/BRA/1244/, April 11, 2017 (Brazil).

¹³⁵ *Fresh Garlic from China, Inv. No. 731-TA-683 (Third Review)*, USITC Publication 4316, April 2012, p. I-18; *Domestic Interested Parties' Response to the Notice of Institution*, May 2, 2017, p. 23; World Trade Organization Committee on Sanitary and Phytosanitary Measures, G/SPS/N/MEX/98, (Mexico).

¹³⁶ *Domestic Interested Parties' Response to the Notice of Institution*, May 2, 2017, p. 23; World Trade Organization Committee on Sanitary and Phytosanitary Measures, G/SPS/N/KOR/557, February 6, 2017, (Korea).

¹³⁷ *Fresh Garlic from China, Inv. No. 731-TA-683 (Third Review)*, USITC Publication 4316, April 2012, p. I-18; and World Trade Organization, Committee on Phytosanitary Measures, G/SPS/N/CHL/75, March 27, 2001 (Chile); G/SPS/N/NZL/345, G/SPS/N/KOR/358, March 25, 2010 (Korea); and G/SPS/N/VEN/5, March 12, 2003 (Venezuela).

THE GLOBAL MARKET

Table I-8 presents the largest global export sources of fresh garlic during 2012-16.

Table I-8
Fresh garlic: Global exports by major sources, 2012-16

Item	Calendar year				
	2012	2013	2014	2015	2016
Quantity (1,000 pounds)					
China	3,116,564	3,584,940	3,862,620	3,867,007	3,374,192
Spain	189,414	228,613	277,368	328,434	357,740
Argentina	192,765	157,101	164,702	145,999	171,139
Netherlands	66,487	60,615	58,994	71,391	67,593
India	56,439	85,975	43,706	16,653	56,833
Egypt	64,614	12,489	7,552	14,854	34,630
Mexico	31,405	21,747	26,551	29,672	34,522
France	21,691	22,313	19,949	22,197	32,316
Peru	11,696	3,753	1,556	9,388	28,042
Chile	27,656	19,731	22,308	22,140	23,128
All other countries	167,466	307,381	183,725	188,817	118,997
Total	3,946,197	4,504,660	4,669,029	4,716,553	4,299,132

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

Source: Global Trade Information Services, Inc., Global Trade Atlas, HTS subheading 0703.20, accessed on June 1, 2017. HTS subheadings 0710.80, 0711.90, 2005.90, and 2005.99 are "basket categories" and may cover both subject and non-subject merchandise. These HTS subheadings may cover a significant amount of non-subject merchandise and therefore have been excluded for purposes of reporting import statistics.

APPENDIX A

FEDERAL REGISTER NOTICES

The Commission makes available notices relevant to its investigations and reviews on its website, www.usitc.gov. In addition, the following tabulation presents, in chronological order, *Federal Register* notices issued by the Commission and Commerce during the current proceeding.

Citation	Title	Link
82 FR 16223 April 3, 2017	<i>Fresh Garlic From China; Institution of a Five-Year Review</i>	https://www.gpo.gov/fdsys/pkg/FR-2017-04-03/pdf/2017-06427.pdf
82 FR 16159 April 3, 2017	<i>Initiation of Five-Year ("Sunset") Reviews</i>	https://www.gpo.gov/fdsys/pkg/FR-2017-04-03/pdf/2017-06490.pdf
82 FR 36752 August 7, 2017	<i>Fresh Garlic From the People's Republic of China: Final Results of Fourth Expedited Sunset Review of the Antidumping Duty Order</i>	https://www.gpo.gov/fdsys/pkg/FR-2017-08-07/pdf/2017-16575.pdf
82 FR 37237 August 9, 2017	<i>Fresh Garlic From China; Scheduling of an Expedited Five-Year Review</i>	https://www.gpo.gov/fdsys/pkg/FR-2017-08-09/pdf/2017-16714.pdf

APPENDIX B
COMPANY-SPECIFIC DATA

RESPONSE CHECKLIST FOR U.S. PRODUCERS

Item	Fresh Garlic Producer's Association ("FGPA")	
	Quantity=1,000 pounds; value=1,000 dollars; Unit values, unit labor costs, and unit financial data are per pound	
Nature of operation	✓	
Statement of intent to participate	✓	
Statement of likely effects of revoking the order	✓	
U.S. producer list	✓	
U.S. importer/foreign producer list	✓	
List of 3-5 leading purchasers	✓	
List of sources for national/regional prices	?	
Production:		
Quantity		***
Percent of total reported		***
Capacity		***
Commercial shipments:		
Quantity		***
Value		***
Internal consumption:		
Quantity		***
Value		***
Net sales		***
COGS		***
Gross profit or (loss)		***
SG&A expenses (loss)		***
Operating income/(loss)		***
Changes in supply/demand	✓	
<p>Note.—The production, capacity, and shipment data presented are for calendar year 2016. The financial data are for fiscal year ended 2016.</p> <p>✓ = response provided; ✖ = response not provided; NA = not applicable; ? = indicated that the information was not known.</p>		

APPENDIX C

SUMMARY DATA COMPILED IN PRIOR INVESTIGATIONS

Table C-1

Raw garlic: Summary data concerning the U.S. market, crop years 1991-94

(Quantity=1,000 pounds; value=1,000 dollars; unit values are per pound; period changes=percent, except where noted)

Item	Reported data				Period changes			
	1991	1992	1993	1994	1991-94	1991-92	1992-93	1993-94
U.S. consumption quantity:								
Amount	345,996	354,023	379,249	467,354	+35.1	+2.3	+7.1	+23.2
Producers' share ¹	87.5	89.3	88.7	79.0	-8.5	+1.8	-0.6	-9.7
Importers' share: ¹								
China ²	1.8	1.0	2.5	13.6	+11.8	-0.8	+1.5	+11.1
Argentina	2.3	1.5	1.3	1.2	-1.1	-0.8	-0.1	-0.1
Chile	.8	.6	.6	.3	-0.5	-0.2	(3)	-0.3
Mexico	6.0	6.4	6.6	5.7	-0.3	+0.5	+0.2	-0.9
Taiwan	1.4	.8	.2	.2	-1.2	-0.5	-0.6	-0.1
Other sources	.4	.5	.1	.1	-0.3	+0.1	-0.4	(3)
Total	12.5	10.7	11.3	21.0	+8.5	-1.8	+0.6	+9.7
U.S. consumption value:								
Amount	98,483	104,598	125,441	148,659	+50.9	+6.2	+19.9	+18.5
Producers' share ¹	76.4	79.3	82.8	74.6	-1.8	+2.9	+3.5	-8.1
Importers' share: ¹								
China ²	2.5	1.4	3.0	13.5	+11.0	-1.1	+1.6	+10.5
Argentina	6.2	3.5	2.6	2.4	-3.8	-2.7	-0.9	-0.1
Chile	2.7	1.7	1.6	1.0	-1.7	-0.9	-0.2	-0.5
Mexico	9.4	11.9	9.7	8.1	-1.2	+2.6	-2.2	-1.6
Taiwan	1.8	1.2	.3	.1	-1.7	-0.6	-0.9	-0.2
Other sources	1.0	1.0	.1	.2	-0.8	(4)	-0.9	+0.1
Total	23.6	20.7	17.2	25.4	+1.8	-2.9	-3.5	+8.1
U.S. importers' imports from—								
China:³								
Imports quantity	6,055	3,540	9,395	63,531	+949.2	-41.5	+165.4	+576.2
Imports value	2,474	1,446	3,719	20,014	+709.0	-41.6	+157.2	+438.2
Unit value	\$0.41	\$0.41	\$0.40	\$0.32	-22.9	(5)	-3.1	-20.4
Ending inventory quantity ⁴	-	-	***	***	-	-	-	+146.0
Argentina:								
Imports quantity	7,886	5,147	5,024	5,511	-30.1	-34.7	-2.4	+9.7
Imports value	6,106	3,627	3,241	3,640	-40.4	-40.6	-10.6	+12.3
Unit value	\$0.77	\$0.70	\$0.65	\$0.66	-14.7	-9.0	-8.5	+2.4
Ending inventory quantity	-	-	-	-	-	-	-	-
Chile:								
Imports quantity	2,826	2,018	2,264	1,543	-45.4	-28.6	+12.2	-31.8
Imports value	2,634	1,813	1,946	1,496	-43.2	-31.2	+7.3	-23.1
Unit value	\$0.93	\$0.90	\$0.86	\$0.97	+4.0	-3.6	-4.3	+12.8
Ending inventory quantity	-	-	-	-	-	-	-	-
Mexico:								
Imports quantity	20,616	22,721	25,059	26,565	+28.9	+10.2	+10.3	+6.0
Imports value	9,222	12,499	12,203	12,065	+30.8	+35.5	-2.4	-1.1
Unit value	\$0.45	\$0.55	\$0.49	\$0.45	+1.5	+23.0	-11.5	-6.7
Ending inventory quantity	-	-	-	-	-	-	-	-
Taiwan:								
Imports quantity	4,712	2,973	947	711	-84.9	-36.9	-68.1	-24.9
Imports value	1,792	1,241	382	206	-88.5	-30.7	-69.2	-46.1
Unit value	\$0.38	\$0.42	\$0.40	\$0.29	-24.0	+9.8	-3.4	-28.3
Ending inventory quantity	-	-	-	-	-	-	-	-
Other sources:								
Imports quantity	1,239	1,615	233	346	-72.1	+30.3	-85.6	+48.5
Imports value	1,025	1,047	142	290	-71.7	+2.1	-86.4	+104.2
Unit value	\$0.83	\$0.65	\$0.61	\$0.84	+1.3	-21.6	-5.9	+37.3
All sources:								
Imports quantity	43,334	38,014	42,922	98,209	+126.6	-12.3	+12.9	+128.8
Imports value	23,252	21,673	21,634	37,711	+62.2	-6.8	-0.2	+74.3
Unit value	\$0.54	\$0.57	\$0.50	\$0.38	-28.4	+6.3	-11.6	-23.8

Table continued on next page.

Table C-1—Continued

Raw garlic: Summary data concerning the U.S. market, crop years 1991-94

(Quantity=1,000 pounds; value=1,000 dollars; unit values are per pound; period changes=percent, except where noted)

Item	Reported data				Period changes			
	1991	1992	1993	1994	1991-94	1991-92	1992-93	1993-94
U.S. producers¹—								
Ending capacity quantity	442,748	449,272	486,190	498,190	+12.5	+1.5	+8.2	+2.5
Production quantity	313,837	332,782	360,383	397,246	+26.6	+6.0	+8.3	+10.2
Capacity utilization ²	70.9	73.9	73.1	78.5	+7.6	+3.0	-0.8	+5.4
U.S. shipments:								
Quantity	302,662	316,010	336,328	369,146	+22.0	+4.4	+6.4	+9.8
Value	75,231	82,925	103,807	110,948	+47.5	+10.2	+25.2	+6.9
Unit value	\$0.25	\$0.26	\$0.31	\$0.30	+20.9	+5.6	+17.6	-2.6
Export shipments:								
Quantity	***	***	***	***	+219.9	+70.1	+32.7	+41.8
Exports/shipments ³	***	***	***	***	+2.0	+0.8	+0.5	+0.7
Value	***	***	***	***	+129.8	+32.4	+37.8	+25.9
Unit value	\$0.85	\$0.66	\$0.69	\$0.61	-28.2	-22.1	+3.9	-11.2
Ending inventory quantity	0	0	***	***	0	0	0	+689.1
Inventory/shipments ⁴	0	0	***	***	+0.3	0	0	+0.3
Production workers	973	1,136	1,490	1,571	+61.5	+16.8	+31.2	+5.4
Hours worked (1,000s)	1,454	1,741	1,979	2,089	+43.7	+19.7	+13.7	+5.6
Total comp. (\$1,000)	12,732	16,182	17,551	18,669	+46.6	+27.1	+8.5	+6.4
Hourly total compensation	\$8.76	\$9.29	\$8.87	\$8.94	+2.1	+6.1	-4.6	+0.8
Productivity (lbs./hour)	236.1	190.7	179.5	187.2	-20.7	-19.3	-5.9	+4.3
Unit labor costs (per 1,000 pounds)	\$39.42	\$48.74	\$49.40	\$47.73	+21.1	+23.6	+1.4	-3.4
Net sales—								
Quantity	0	0	0	0	0	0	0	0
Value	0	0	0	0	0	0	0	0
Unit sales value	0	0	0	0	0	0	0	0
All expenses	0	0	0	0	0	0	0	0
Net income (loss)	0	0	0	0	0	0	0	0
Capital expenditures	0	0	0	0	0	0	0	0
Total assets	0	0	0	0	0	0	0	0
Unit expenses	0	0	0	0	0	0	0	0
Unit net income (loss)	0	0	0	0	0	0	0	0
Net income(loss)/sales ⁵	0	0	0	0	0	0	0	0

¹ "Reported data" are in percent and "period changes" are in percentage points.² Includes imports from Hong Kong.³ An increase of less than 0.05 percentage points.⁴ A decrease of less than 0.05 percentage points.⁵ A decrease of less than 0.05 percent.⁶ Data are for China only.⁷ Not applicable.⁸ Positive figure, but less than significant digits displayed.⁹ Income-and-loss data from producers of dehy garlic are for the downstream processed product. Hence, financial data for fresh, dehy, and seed garlic cannot be consolidated.

Note.—Period changes are derived from the unrounded data. Because of rounding, figures may not add to the totals shown. Unit values and other ratios are calculated from the unrounded figures, using data of firms supplying both numerator and denominator information.

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

Table C-2

Fresh garlic and dehy garlic: Summary data concerning the U.S. market, crop years 1991-94

(Quantity = 1,000 pounds; value = 1,000 dollars; unit values are per pound; period changes = percent, except where noted)

Item	Reported data				Period changes			
	1991	1992	1993	1994	1991-94	1991-92	1992-93	1993-94
U.S. consumption quantity:								
Amount	295,878	309,364	324,775	411,108	+38.9	+4.6	+5.0	+26.6
Producers' share ¹	85.4	87.7	86.8	76.1	-9.2	+2.4	-0.9	-10.7
Importers' share: ¹								
China ²	2.0	1.1	2.9	15.5	+13.4	-0.9	+1.7	+12.6
Argentina	2.7	1.7	1.5	1.3	-1.3	-1.0	-0.1	-0.2
Chile	1.0	.7	.7	.4	-0.6	-0.3	(3)	-0.3
Mexico	7.0	7.3	7.7	6.5	-0.5	+0.4	+0.4	-1.3
Taiwan	1.6	1.0	.3	.2	-1.4	-0.6	-0.7	-0.1
Other sources	.4	.5	.1	.1	-0.3	+0.1	-0.5	(3)
Total	14.6	12.3	13.2	23.9	+9.2	-2.4	+0.9	+10.7
U.S. consumption value:								
Amount	85,674	93,638	108,981	130,156	+51.9	+9.3	+16.4	+19.4
Producers' share ¹	72.9	76.9	80.1	71.0	-1.8	+4.0	+3.3	-9.1
Importers' share: ¹								
China ²	2.9	1.5	3.4	15.4	+12.5	-1.3	+1.9	+12.0
Argentina	7.1	3.9	3.0	2.8	-4.3	-3.3	-0.9	-0.2
Chile	3.1	1.9	1.8	1.1	-1.9	-1.1	-0.2	-0.6
Mexico	10.8	13.3	11.2	9.3	-1.5	+2.6	-2.2	-1.9
Taiwan	2.1	1.3	.4	.2	-1.9	-0.8	-1.0	-0.2
Other sources	1.2	1.1	.1	.2	-1.0	-0.1	-1.0	+0.1
Total	27.1	23.1	19.9	29.0	+1.8	-4.0	-3.3	+9.1
U.S. importers' imports from—								
China:²								
Imports quantity	6,055	3,540	9,395	63,531	+949.2	-41.5	+165.4	+576.2
Imports value	2,474	1,446	3,719	20,014	+709.0	-41.6	+157.2	+438.2
Unit value	\$0.41	\$0.41	\$0.40	\$0.32	-22.9	(4)	-3.1	-20.4
Ending inventory quantity ²	-	-	***	***	-	-	-	+146.0
Argentina:								
Imports quantity	7,886	5,147	5,024	5,511	-30.1	-34.7	-2.4	+9.7
Imports value	6,106	3,627	3,241	3,640	-40.4	-40.6	-10.6	+12.3
Unit value	\$0.77	\$0.70	\$0.65	\$0.66	-14.7	-9.0	-8.5	+2.4
Ending inventory quantity	-	-	-	-	-	-	-	-
Chile:								
Imports quantity	2,826	2,018	2,264	1,543	-45.4	-28.6	+12.2	-31.8
Imports value	2,634	1,813	1,946	1,496	-43.2	-31.2	+7.3	-23.1
Unit value	\$0.93	\$0.90	\$0.86	\$0.97	+4.0	-3.6	-4.3	+12.8
Ending inventory quantity	-	-	-	-	-	-	-	-
Mexico:								
Imports quantity	20,616	22,721	25,059	26,565	+28.9	+10.2	+10.3	+6.0
Imports value	9,222	12,499	12,203	12,065	+30.8	+35.5	-2.4	-1.1
Unit value	\$0.45	\$0.55	\$0.49	\$0.45	+1.5	+23.0	-11.5	-6.7
Ending inventory quantity	-	-	-	-	-	-	-	-
Taiwan:								
Imports quantity	4,712	2,973	947	711	-84.9	-36.9	-68.1	-24.9
Imports value	1,792	1,241	382	206	-88.5	-30.7	-69.2	-46.1
Unit value	\$0.38	\$0.42	\$0.40	\$0.29	-24.0	+9.8	-3.4	-28.3
Ending inventory quantity	-	-	-	-	-	-	-	-
Other sources:								
Imports quantity	1,239	1,615	233	346	-72.1	+30.3	-85.6	+48.5
Imports value	1,025	1,047	142	290	-71.7	+2.1	-86.4	+104.2
Unit value	\$0.83	\$0.65	\$0.61	\$0.84	+1.3	-21.6	-5.9	+37.3
All sources:								
Imports quantity	43,334	38,014	42,922	98,209	+126.6	-12.3	+12.9	+128.8
Imports value	23,252	21,673	21,634	37,711	+62.2	-6.8	-0.2	+74.3
Unit value	\$0.54	\$0.57	\$0.50	\$0.38	-28.4	+6.3	-11.6	-23.8

Table continued on next page.

Table C-2

Fresh garlic and dehy garlic: Summary data concerning the U.S. market, crop years 1991-94

(Quantity=1,000 pounds; value=1,000 dollars; unit values are per pound; period changes=percent, except where noted)

Item	Reported data				Period changes			
	1991	1992	1993	1994	1991-94	1991-92	1992-93	1993-94
U.S. producers¹--								
Ending capacity quantity	375,832	382,356	419,274	430,274	+14.5	+1.7	+9.7	+2.6
Production quantity	259,360	283,301	300,750	331,105	+27.7	+9.2	+6.2	+10.1
Capacity utilization ¹	69.0	73.9	70.5	75.5	+6.5	+4.9	-3.4	+5.0
U.S. shipments:								
Quantity	252,544	271,351	281,854	312,900	+23.9	+7.4	+3.9	+11.0
Value	62,422	71,965	87,347	92,445	+48.1	+15.3	+21.4	+5.8
Unit value	\$0.25	\$0.27	\$0.31	\$0.30	+19.5	+7.3	+16.9	-4.7
Export shipments:								
Quantity	3,482	5,885	7,883	12,042	+245.8	+69.0	+34.0	+52.8
Exports/shipments ²	1.4	2.1	2.7	3.7	+2.3	+0.8	+0.6	+1.0
Value	***	***	***	7,588	***	+40.6	+35.3	***
Unit value	\$***	\$***	\$***	\$0.63	***	-16.8	+1.0	***
Ending inventory quantity	0	0	***	***	(6)	(6)	(6)	+689.1
Inventory/shipments ¹	0	0	(7)	***	+0.4	0	(3)	+0.3
Production workers	840	977	1,331	1,392	+65.7	+16.3	+36.2	+4.6
Hours worked (1,000s)	1,345	1,620	1,862	1,962	+45.9	+20.4	+14.9	+5.4
Total compensation (\$1,000)	11,218	14,444	16,024	16,962	+51.2	+28.8	+10.9	+5.9
Hourly total compensation	\$8.34	\$8.92	\$8.61	\$8.65	+3.7	+6.9	-3.5	+0.5
Productivity (lbs./hour)	212.6	174.4	158.8	165.7	-22.1	-18.0	-9.0	+4.3
Unit labor costs (per 1,000 pounds)	\$41.86	\$51.13	\$54.20	\$52.19	+24.7	+22.1	+6.0	-3.7
Net sales--								
Quantity	(8)	(8)	(8)	(8)	(8)	(8)	(8)	(8)
Value	(8)	(8)	(8)	(8)	(8)	(8)	(8)	(8)
Unit sales value	(8)	(8)	(8)	(8)	(8)	(8)	(8)	(8)
All expenses	(8)	(8)	(8)	(8)	(8)	(8)	(8)	(8)
Net income (loss)	(8)	(8)	(8)	(8)	(8)	(8)	(8)	(8)
Capital expenditures	(8)	(8)	(8)	(8)	(8)	(8)	(8)	(8)
Total assets	(8)	(8)	(8)	(8)	(8)	(8)	(8)	(8)
Unit expenses	(8)	(8)	(8)	(8)	(8)	(8)	(8)	(8)
Unit net income (loss)	(8)	(8)	(8)	(8)	(8)	(8)	(8)	(8)
Net income(loss)/sales ¹	(8)	(8)	(8)	(8)	(8)	(8)	(8)	(8)

¹ "Reported data" are in percent and "period changes" are in percentage points.² Includes imports from Hong Kong.³ An increase of less than 0.05 percentage points.⁴ A decrease of less than 0.05 percent.⁵ Data are for China only.⁶ Not applicable.⁷ Positive figure, but less than significant digits presented.⁸ Income-and-loss data from producers of dehy garlic are for the downstream processed product. Hence, financial data for fresh, dehy, and seed garlic cannot be consolidated.

Note.—Period changes are derived from the unrounded data. Because of rounding, figures may not add to the totals shown. Unit values and other ratios are calculated from the unrounded figures, using data of firms supplying both numerator and denominator information.

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

Table C-3

Fresh garlic: Summary data concerning the U.S. market, crop years 1991-94

(Quantity=1,000 pounds; value=1,000 dollars; unit values are per pound; period changes=percent, except where noted)

Item	Reported data				Period changes			
	1991	1992	1993	1994	1991-94	1991-92	1992-93	1993-94
U.S. consumption quantity:								
Amount	85,620	96,150	117,441	180,310	+110.6	+12.3	+22.1	+53.5
Producers' share ¹	49.4	60.5	63.5	45.5	-3.9	+11.1	+3.0	-17.9
Importers' share: ¹								
China ²	7.1	3.7	8.0	35.2	+28.2	-3.4	+4.3	+27.2
Argentina	9.2	5.4	4.3	3.1	-6.2	-3.9	-1.1	-1.2
Chile	3.3	2.1	1.9	.9	-2.4	-1.2	-0.2	-1.1
Mexico	24.1	23.6	21.3	14.7	-9.3	-0.4	-2.3	-6.6
Taiwan	5.5	3.1	.8	.4	-5.1	-2.4	-2.3	-0.4
Other sources	1.4	1.7	.2	.2	-1.3	+0.2	-1.5	(9)
Total	50.6	39.5	36.5	54.5	+3.9	-11.1	-3.0	+17.9
U.S. consumption value:								
Amount	55,790	61,439	74,825	90,677	+62.5	+10.1	+21.8	+21.2
Producers' share ¹	58.3	64.7	71.1	58.4	+0.1	+6.4	+6.4	-12.7
Importers' share: ¹								
China ²	4.4	2.4	5.0	22.1	+17.6	-2.1	+2.6	+17.1
Argentina	10.9	5.9	4.3	4.0	-6.9	-5.0	-1.6	-0.3
Chile	4.7	3.0	2.6	1.6	-3.1	-1.8	-0.4	-1.0
Mexico	16.5	20.3	16.3	13.3	-3.2	+3.8	-4.0	-3.0
Taiwan	3.2	2.0	.5	.2	-3.0	-1.2	-1.5	-0.3
Other sources	1.8	1.7	.2	.3	-1.5	-0.1	-1.5	+0.1
Total	41.7	35.3	28.9	41.6	-0.1	-6.4	-6.4	+12.7
U.S. importers' imports from—								
China:³								
Imports quantity	6,055	3,540	9,395	63,532	+949.2	-41.5	+165.4	+576.2
Imports value	2,474	1,446	3,719	20,014	+709.0	-41.6	+157.2	+438.2
Unit value	\$0.41	\$0.41	\$0.40	\$0.32	-22.9	(9)	-3.1	-20.4
Ending inventory quantity ⁴	-	-	-	***	-	-	-	-
Argentina:								
Imports quantity	7,886	5,147	5,024	5,511	-30.1	-34.7	-2.4	+9.7
Imports value	6,106	3,627	3,241	3,640	-40.4	-40.6	-10.6	+12.3
Unit value	\$0.77	\$0.70	\$0.65	\$0.66	-14.7	-9.0	-8.5	+2.4
Ending inventory quantity	-	-	-	-	-	-	-	-
Chile:								
Imports quantity	2,826	2,018	2,264	1,543	-45.4	-28.6	+12.2	-31.8
Imports value	2,634	1,813	1,946	1,496	-43.2	-31.2	+7.3	-23.1
Unit value	\$0.93	\$0.90	\$0.86	\$0.97	+4.0	-3.6	-4.3	+12.8
Ending inventory quantity	-	-	-	-	-	-	-	-
Mexico:								
Imports quantity	20,616	22,721	25,059	26,565	+28.9	+10.2	+10.3	+6.0
Imports value	9,222	12,499	12,203	12,065	+30.8	+35.5	-2.4	-1.1
Unit value	\$0.45	\$0.55	\$0.49	\$0.45	+1.5	+23.0	-11.5	-6.7
Ending inventory quantity	-	-	-	-	-	-	-	-
Taiwan:								
Imports quantity	4,712	2,973	947	711	-84.9	-36.9	-68.1	-24.9
Imports value	1,792	1,241	382	206	-88.5	-30.7	-69.2	-46.1
Unit value	\$0.38	\$0.42	\$0.40	\$0.29	-24.0	+9.8	-3.4	-28.3
Ending inventory quantity	-	-	-	-	-	-	-	-
Other sources:								
Imports quantity	1,239	1,615	233	346	-72.1	+30.3	-85.6	+48.5
Imports value	1,025	1,047	142	290	-71.7	+2.1	-86.4	+104.2
Unit value	\$0.83	\$0.65	\$0.61	\$0.84	+1.3	-21.6	-5.9	+37.3
All sources:								
Imports quantity	43,334	38,014	42,922	98,209	+126.6	-12.3	+12.9	+128.8
Imports value	23,252	21,673	21,634	37,711	+62.2	-6.8	-0.2	+74.3
Unit value	\$0.54	\$0.57	\$0.50	\$0.38	-28.4	+6.3	-11.6	-23.8

Table continued on next page.

Table C-3—Continued

Fresh garlic: Summary data concerning the U.S. market, crop years 1991-94

(Quantity=1,000 pounds; value=1,000 dollars; unit values are per pound; period changes=percent, except where noted)

Item	Reported data				Period changes			
	1991	1992	1993	1994	1991-94	1991-92	1992-93	1993-94
U.S. producers'—								
Ending capacity quantity	97,932	104,456	141,274	141,274	+44.3	+6.7	+35.2	0
Production quantity	49,102	70,087	93,416	100,307	+104.3	+42.7	+33.3	+7.4
Capacity utilization ¹	50.1	66.3	62.5	66.7	+16.5	+16.2	-3.8	+4.2
U.S. shipments:								
Quantity	42,286	58,137	74,520	82,102	+94.2	+37.5	+28.2	+10.2
Value	32,538	39,766	53,191	52,966	+62.8	+22.2	+33.8	-0.4
Unit value	\$0.77	\$0.68	\$0.71	\$0.65	-16.2	-11.1	+4.4	-9.6
Export shipments:								
Quantity	3,482	5,885	7,883	12,042	+245.8	+69.0	+34.0	+52.8
Exports/shipments ²	7.6	9.2	9.6	12.8	+5.2	+1.6	+0.4	+3.2
Value	3,078	4,329	***	7,588	+146.5	+40.6	***	***
Unit value	\$0.88	\$0.74	\$***	\$0.63	-28.7	-16.8	***	***
Ending inventory quantity	0	0	***	***	(6)	(6)	(6)	+689.1
Inventory/shipments ³	0	0	***	***	+0.8	0	+0.1	+0.7
Production workers	599	710	1,021	1,087	+81.5	+18.5	+43.8	+6.5
Hours worked (1,000s)	1,007	1,247	1,475	1,584	+57.3	+23.8	+18.3	+7.4
Total compensation (\$1,000)	7,175	9,633	11,165	12,024	+67.6	+34.3	+15.9	+7.7
Hourly total compensation	\$7.13	\$7.72	\$7.57	\$7.59	+6.5	+8.4	-2.0	+0.3
Productivity (lbs./hour)	55.7	55.6	59.9	59.5	+6.8	-0.2	+7.7	-0.6
Unit labor costs (per 1,000 pounds)	\$138.79	\$139.03	\$126.45	\$127.63	-8.0	+0.2	-9.0	+0.9
Net sales—								
Quantity	45,768	64,022	82,402	94,144	+105.7	+39.9	+28.7	+14.2
Value	35,615	44,093	59,046	60,554	+70.0	+23.8	+33.9	+2.6
Unit sales value	\$0.78	\$0.69	\$0.72	\$0.64	-17.3	-11.5	+4.0	-10.2
All expenses	32,095	42,236	57,803	61,909	+92.9	+31.6	+36.9	+7.1
Net income (loss)	3,520	1,857	1,243	(1,355)	-138.5	-47.2	-33.1	-209.0
Capital expenditures	***	***	***	***	+16.5	+21.8	-19.1	+18.3
Total assets	***	***	***	***	+47.1	+39.6	+23.3	-14.5
Unit expenses	\$0.70	\$0.66	\$0.70	\$0.66	-6.0	-5.7	+6.3	-6.3
Unit net income (loss)	\$0.08	\$0.03	\$0.02	(\$0.01)	-118.3	-63.0	-48.0	-195.4
Net income(loss)/sales ⁴	9.9	4.2	2.1	(2.2)	-12.1	-5.7	-2.1	-4.3

¹ "Reported data" are in percent and "period changes" are in percentage points.² Includes imports from Hong Kong.³ A decrease of less than 0.05 percentage points.⁴ A decrease of less than 0.05 percent.⁵ Data are for China only.⁶ Not applicable.

Note.—Period changes are derived from the unrounded data. Period changes involving negative period data are positive if the amount of the negativity decreases and negative if the amount of the negativity increases. Because of rounding, figures may not add to the totals shown. Unit values and other ratios are calculated from the unrounded figures, using data of firms supplying both numerator and denominator information.

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

Table C-4

Dehy garlic: Summary data concerning the U.S. market, crop years 1991-94

(Quantity=1,000 pounds; value=1,000 dollars; unit values are per pound; period changes=percent, except where noted)

Item	Reported data				Period changes			
	1991	1992	1993	1994	1991-94	1991-92	1992-93	1993-94
U.S. producers ¹ —								
Ending capacity quantity	277,900	277,900	278,000	289,000	+4.0	0	(1)	+4.0
Production quantity	210,258	213,214	207,334	230,798	+9.8	+1.4	-2.8	+11.3
Capacity utilization ²	75.7	76.7	74.6	79.9	+4.2	+1.1	-2.1	+5.3
U.S. shipments:								
Quantity	210,258	213,214	207,334	230,798	+9.8	+1.4	-2.8	+11.3
Value	29,884	32,199	34,156	39,479	+32.1	+7.7	+6.1	+15.6
Unit value	\$0.14	\$0.15	\$0.16	\$0.17	+20.4	+6.3	+9.1	+3.8
Export shipments:								
Quantity	0	0	0	0	0	0	0	0
Exports/shipments ²	0	0	0	0	0	0	0	0
Value	0	0	0	0	0	0	0	0
Unit value	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Ending inventory quantity	0	0	0	0	0	0	0	0
Inventory/shipments ²	0	0	0	0	0	0	0	0
Production workers	241	267	310	305	+26.6	+10.8	+16.1	-1.6
Hours worked (1,000s)	338	373	387	378	+11.8	+10.4	+3.8	-2.3
Total compensation (\$1,000)	4,043	4,811	4,859	4,938	+22.1	+19.0	+1.0	+1.6
Hourly total compensation	\$11.96	\$12.90	\$12.56	\$13.06	+9.2	+7.8	-2.7	+4.0
Productivity (lbs./hour)	622.1	571.6	535.7	610.6	-1.8	-8.1	-6.3	+14.0
Unit labor costs (per 1,000 pounds)	\$19.23	\$22.56	\$23.44	\$21.40	+11.3	+17.3	+3.9	-8.7
Net sales—								
Quantity	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Value	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Unit sales value	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
All expenses	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Net income (loss)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Capital expenditures	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Total assets	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Unit expenses	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Unit net income (loss)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Net income(loss)/sales ²	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)

¹ An increase of less than 0.05 percent.² "Reported data" are in percent and "period changes" are in percentage points.³ Not applicable.⁴ Because income-and-loss data from dehy producers are for the downstream product, processed garlic, data for dehy garlic are not available.

Note.—Period changes are derived from the unrounded data. Unit values and other ratios are calculated using data of firms supplying both numerator and denominator information.

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

Table C-5

Seed garlic: Summary data concerning the U.S. market, crop years 1991-94

(Quantity=1,000 pounds; value=1,000 dollars; unit values are per pound; period changes=percent, except where noted)

Item	Reported data				Period changes			
	1991	1992	1993	1994	1991-94	1991-92	1992-93	1993-94
U.S. producers ² -								
Ending capacity quantity	66,916	66,916	66,916	67,916	+1.5	0	0	+1.5
Production quantity	54,477	49,481	59,633	66,142	+21.4	-9.2	+20.5	+10.9
Capacity utilization ¹	81.4	73.9	89.1	97.4	+16.0	-7.5	+15.2	+8.3
U.S. shipments:								
Quantity	50,118	44,659	54,474	56,246	+12.2	-10.9	+22.0	+3.3
Value	12,809	10,960	16,460	18,503	+44.5	-14.4	+50.2	+12.4
Unit value	\$0.26	\$0.25	\$0.30	\$0.33	+28.7	-4.0	+23.1	+8.9
Export shipments:								
Quantity	***	***	***	***	+34.2	+77.8	+24.1	-39.2
Exports/shipments ¹	***	***	***	***	+0.2	+0.9	∅	-0.8
Value	***	***	***	***	-43.1	-52.5	+117.0	-44.8
Unit value	\$***	\$***	\$***	\$***	-57.6	-73.3	+74.9	-9.2
Ending inventory quantity	0	0	0	0	0	0	0	0
Inventory/shipments ¹	0	0	0	0	0	0	0	0
Production workers	133	159	159	179	+34.6	+19.5	0	+12.6
Hours worked (1,000s)	109	121	117	127	+16.5	+11.0	-3.3	+8.5
Total compensation (\$1,000)	1,514	1,738	1,527	1,707	+12.7	+14.8	-12.1	+11.8
Hourly total compensation	\$13.89	\$14.36	\$13.05	\$13.44	-3.2	+3.4	-9.1	+3.0
Productivity (lbs./hour)	499.8	408.9	509.7	520.8	+4.2	-18.2	+24.6	+2.2
Unit labor costs (per 1,000 pounds)	\$27.79	\$35.12	\$25.61	\$25.81	-7.1	+26.4	-27.1	+0.8
Net sales-								
Quantity	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***
Unit sales value	\$***	\$***	\$***	\$***	***	***	***	***
All expenses	***	***	***	***	***	***	***	***
Net income (loss)	***	***	***	***	***	***	***	***
Capital expenditures	***	***	***	***	***	***	***	***
Total assets	***	***	***	***	***	***	***	***
Unit expenses	\$***	\$***	\$***	\$***	***	***	***	***
Unit net income (loss)	\$***	\$***	\$***	\$***	***	***	***	***
Net income(loss)/sales ⁴	***	***	***	***	***	***	***	***

¹ "Reported data" are in percent and "period changes" are in percentage points.² An increase of less than 0.05 percentage points.³ Not available.⁴ Not applicable.

Note.—Period changes are derived from the unrounded data. Unit values and other ratios are calculated using data of firms supplying both numerator and denominator information.

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

Table C-6

USDA Grade No. 1 fresh garlic: Summary data concerning the U.S. market, crop years 1991-94

(Quantity=1,000 pounds; value=1,000 dollars; unit values are per pound; period changes=percent, except where noted)

Item	Reported data				Period changes			
	1991	1992	1993	1994	1991-94	1991-92	1992-93	1993-94
U.S. producers ¹ —								
Ending capacity quantity	81,468	86,288	115,518	115,518	+41.8	+5.9	+33.9	0
Production quantity	41,449	52,607	73,584	73,459	+77.2	+26.9	+39.9	-0.2
Capacity utilization ¹	50.9	59.5	52.7	51.9	+1.0	+8.6	-6.8	-0.8
U.S. shipments:								
Quantity	36,876	45,147	58,531	55,949	+51.7	+22.4	+29.6	-4.4
Value	31,821	30,929	40,603	37,908	+19.1	-2.8	+31.3	-6.6
Unit value	\$0.86	\$0.69	\$0.69	\$0.68	-21.5	-20.6	+1.3	-2.3
Export shipments:								
Quantity	***	***	7,576	11,502	***	+64.5	***	+51.8
Exports/shipments ¹	***	***	11.5	17.1	***	+2.3	***	+5.6
Value	***	***	5,528	7,196	***	+29.9	***	+30.2
Unit value	\$0.96	\$0.76	\$0.73	\$0.63	-35.0	-21.0	-4.0	-14.3
Ending inventory quantity	0	0	***	***	(2)	(2)	(2)	(3)
Inventory/shipments ¹	0	0	***	***	+1.0	0	+0.1	+0.9
Production workers	183	253	328	350	+91.3	+38.3	+29.6	+6.7
Hours worked (1,000s)	349	457	548	561	+60.7	+30.9	+19.9	+2.4
Total compensation (\$1,000)	2,500	3,272	3,754	4,172	+66.9	+30.9	+14.7	+11.1
Hourly total compensation	\$7.16	\$7.16	\$6.85	\$7.44	+3.8	-0.1	-4.3	+8.6
Productivity (lbs./hour)	85.2	68.4	77.0	77.7	-8.9	-19.7	+12.5	+0.8
Unit labor costs (per 1,000 pounds)	\$85.77	\$104.61	\$88.93	\$95.75	+11.6	+22.0	-15.0	+7.7

¹ "Reported data" are in percent and "period changes" are in percentage points.² Not applicable.³ An increase of 1,000 percent or more.

Note.—Period changes are derived from the unrounded data. Unit values and other ratios are calculated using data of firms supplying both numerator and denominator information.

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

Table C-7

Commercial grade fresh garlic: Summary data concerning the U.S. market, crop years 1991-94

(Quantity=1,000 pounds; value=1,000 dollars; unit values are per pound; period changes=percent, except where noted)

Item	Reported data				Period changes			
	1991	1992	1993	1994	1991-94	1991-92	1992-93	1993-94
U.S. producers ¹ —								
Ending capacity quantity	21,612	22,632	24,152	24,152	+11.8	+4.7	+6.7	0
Production quantity	5,270	9,315	7,701	11,740	+122.8	+76.8	-17.3	+52.4
Capacity utilization ¹	24.4	41.2	31.9	43.1	+18.7	+16.8	-9.3	+11.2
U.S. shipments:								
Quantity	4,592	7,863	6,843	10,937	+138.2	+71.2	-13.0	+59.8
Value	1,595	2,035	1,473	2,538	+59.1	+27.6	-27.6	+72.3
Unit value	\$0.35	\$0.26	\$0.22	\$0.23	-33.2	-25.5	-16.8	+7.8
Export shipments:								
Quantity	***	***	***	***	-42.1	+57.6	-91.4	+325.3
Exports/shipments ¹	***	***	***	***	-8.2	-0.8	-9.3	+1.8
Value	***	***	***	***	-56.0	+34.5	-93.5	+400.0
Unit value	\$0.49	\$0.42	\$0.32	\$0.37	-24.0	-14.6	-24.3	+17.6
Ending inventory quantity	0	0	0	0	(2)	(2)	(2)	(2)
Inventory/shipments ¹	0	0	0	0	(2)	(2)	(2)	(2)
Production workers	***	***	***	***	+107.1	+38.6	+2.8	+45.3
Hours worked (1,000s)	***	***	***	***	+84.8	+30.9	+7.9	+30.9
Total compensation (\$1,000)	***	***	***	***	+65.4	+31.7	+3.4	+21.5
Hourly total compensation	\$***	\$***	\$***	\$***	-10.5	+0.6	-4.2	-7.2
Productivity (lbs./hour)	***	***	***	***	-28.6	+71.6	-45.7	-23.3
Unit labor costs (per 1,000 pounds)	\$***	\$***	\$***	\$***	+59.9	-39.2	+92.1	+37.0

¹ "Reported data" are in percent and "period changes" are in percentage points.² Not applicable.

Note.—Period changes are derived from the unrounded data. Unit values and other ratios are calculated using data of firms supplying both numerator and denominator information.

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

Table C-8

Fresh garlic other than USDA Grade No. 1 and commercial grade: Summary data concerning the U.S. market, crop years 1991-94

(Quantity=1,000 pounds; value=1,000 dollars; unit values are per pound; period changes=percent, except where noted)

Item	Reported data				Period changes			
	1991	1992	1993	1994	1991-94	1991-92	1992-93	1993-94
U.S. producers'--								
Ending capacity quantity	***	***	***	***	+88.9	+33.3	+41.7	0
Production quantity	***	***	***	***	(1)	+613.7	+72.3	+6.6
Capacity utilization ²	***	***	***	***	-8.2	-33.3	+8.9	+16.2
U.S. shipments:								
Quantity	***	***	***	9,259	(1)	+526.8	+56.0	***
Value	***	***	***	***	(1)	(1)	+55.7	+11.7
Unit value	\$***	\$***	\$***	\$***	+429.8	+450.1	-0.2	-3.5
Export shipments:								
Quantity	***	***	***	***	(3)	(3)	-6.1	-1.6
Exports/shipments ²	***	***	***	***	+1.9	+3.7	-1.4	-0.3
Value	***	***	***	***	(3)	(3)	-8.8	-9.7
Unit value	\$***	\$***	\$***	\$***	(3)	(3)	-2.9	-8.2
Ending inventory quantity	***	***	***	***	0	0	0	0
Inventory/shipments ²	***	***	***	***	0	0	0	0
Production workers	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Hours worked (1,000s)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Total compensation (\$1,000)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Hourly total compensation	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Productivity (lbs./hour)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Unit labor costs	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)

¹ An increase of 1,000 percent or more.

² "Reported data" are in percent and "period changes" are in percentage points.

³ Not applicable.

⁴ Not available.

Note.--Period changes are derived from the unrounded data. Unit values and other ratios are calculated using data of firms supplying both numerator and denominator information.

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

Table C-3

Fresh garlic: Summary data concerning the U.S. market, crop years 1991-94

(Quantity=1,000 pounds; value=1,000 dollars; unit values are per pound; period changes=percent, except where noted)

Item	Reported data				Period changes			
	1991	1992	1993	1994	1991-94	1991-92	1992-93	1993-94
U.S. consumption quantity:								
Amount	85,620	96,150	117,441	180,310	+110.6	+12.3	+22.1	+53.5
Producers' share ¹	49.4	60.5	63.5	45.5	-3.9	+11.1	+3.0	-17.9
Importers' share: ¹								
China ²	7.1	3.7	8.0	35.2	+28.2	-3.4	+4.3	+27.2
Argentina	9.2	5.4	4.3	3.1	-6.2	-3.9	-1.1	-1.2
Chile	3.3	2.1	1.9	.9	-2.4	-1.2	-0.2	-1.1
Mexico	24.1	23.6	21.3	14.7	-9.3	-0.4	-2.3	-6.6
Taiwan	5.5	3.1	.8	.4	-5.1	-2.4	-2.3	-0.4
Other sources	1.4	1.7	.2	.2	-1.3	+0.2	-1.5	(9)
Total	50.6	39.5	36.5	54.5	+3.9	-11.1	-3.0	+17.9
U.S. consumption value:								
Amount	55,790	61,439	74,825	90,677	+62.5	+10.1	+21.8	+21.2
Producers' share ¹	58.3	64.7	71.1	58.4	+0.1	+6.4	+6.4	-12.7
Importers' share: ¹								
China ²	4.4	2.4	5.0	22.1	+17.6	-2.1	+2.6	+17.1
Argentina	10.9	5.9	4.3	4.0	-6.9	-5.0	-1.6	-0.3
Chile	4.7	3.0	2.6	1.6	-3.1	-1.8	-0.4	-1.0
Mexico	16.5	20.3	16.3	13.3	-3.2	+3.8	-4.0	-3.0
Taiwan	3.2	2.0	.5	.2	-3.0	-1.2	-1.5	-0.3
Other sources	1.8	1.7	.2	.3	-1.5	-0.1	-1.5	+0.1
Total	41.7	35.3	28.9	41.6	-0.1	-6.4	-6.4	+12.7
U.S. importers' imports from—								
China:²								
Imports quantity	6,055	3,540	9,395	63,532	+949.2	-41.5	+165.4	+576.2
Imports value	2,474	1,446	3,719	20,014	+709.0	-41.6	+157.2	+438.2
Unit value	\$0.41	\$0.41	\$0.40	\$0.32	-22.9	(9)	-3.1	-20.4
Ending inventory quantity ³	-	-	-	***	-	-	-	-
Argentina:								
Imports quantity	7,886	5,147	5,024	5,511	-30.1	-34.7	-2.4	+9.7
Imports value	6,106	3,627	3,241	3,640	-40.4	-40.6	-10.6	+12.3
Unit value	\$0.77	\$0.70	\$0.65	\$0.66	-14.7	-9.0	-8.5	+2.4
Ending inventory quantity	-	-	-	-	-	-	-	-
Chile:								
Imports quantity	2,826	2,018	2,264	1,543	-45.4	-28.6	+12.2	-31.8
Imports value	2,634	1,813	1,946	1,496	-43.2	-31.2	+7.3	-23.1
Unit value	\$0.93	\$0.90	\$0.86	\$0.97	+4.0	-3.6	-4.3	+12.8
Ending inventory quantity	-	-	-	-	-	-	-	-
Mexico:								
Imports quantity	20,616	22,721	25,059	26,565	+28.9	+10.2	+10.3	+6.0
Imports value	9,222	12,499	12,203	12,065	+30.8	+35.5	-2.4	-1.1
Unit value	\$0.45	\$0.55	\$0.49	\$0.45	+1.5	+23.0	-11.5	-6.7
Ending inventory quantity	-	-	-	-	-	-	-	-
Taiwan:								
Imports quantity	4,712	2,973	947	711	-84.9	-36.9	-68.1	-24.9
Imports value	1,792	1,241	382	206	-88.5	-30.7	-69.2	-46.1
Unit value	\$0.38	\$0.42	\$0.40	\$0.29	-24.0	+9.8	-3.4	-28.3
Ending inventory quantity	-	-	-	-	-	-	-	-
Other sources:								
Imports quantity	1,239	1,615	233	346	-72.1	+30.3	-85.6	+48.5
Imports value	1,025	1,047	142	290	-71.7	+2.1	-86.4	+104.2
Unit value	\$0.83	\$0.65	\$0.61	\$0.84	+1.3	-21.6	-5.9	+37.3
All sources:								
Imports quantity	43,334	38,014	42,922	98,209	+126.6	-12.3	+12.9	+128.8
Imports value	23,252	21,673	21,634	37,711	+62.2	-6.8	-0.2	+74.3
Unit value	\$0.54	\$0.57	\$0.50	\$0.38	-28.4	+6.3	-11.6	-23.8

Table continued on next page.

Table C-3—Continued

Fresh garlic: Summary data concerning the U.S. market, crop years 1991-94

(Quantity=1,000 pounds; value=1,000 dollars; unit values are per pound; period changes=percent, except where noted)

Item	Reported data				Period changes			
	1991	1992	1993	1994	1991-94	1991-92	1992-93	1993-94
U.S. producers'—								
Ending capacity quantity	97,932	104,456	141,274	141,274	+44.3	+6.7	+35.2	0
Production quantity	49,102	70,087	93,416	100,307	+104.3	+42.7	+33.3	+7.4
Capacity utilization ¹	50.1	66.3	62.5	66.7	+16.5	+16.2	-3.8	+4.2
U.S. shipments:								
Quantity	42,286	58,137	74,520	82,102	+94.2	+37.5	+28.2	+10.2
Value	32,538	39,766	53,191	52,966	+62.8	+22.2	+33.8	-0.4
Unit value	\$0.77	\$0.68	\$0.71	\$0.65	-16.2	-11.1	+4.4	-9.6
Export shipments:								
Quantity	3,482	5,885	7,883	12,042	+245.8	+69.0	+34.0	+52.8
Exports/shipments ²	7.6	9.2	9.6	12.8	+5.2	+1.6	+0.4	+3.2
Value	3,078	4,329	***	7,588	+146.5	+40.6	***	***
Unit value	\$0.88	\$0.74	\$***	\$0.63	-28.7	-16.8	***	***
Ending inventory quantity	0	0	***	***	(6)	(6)	(6)	+689.1
Inventory/shipments ³	0	0	***	***	+0.8	0	+0.1	+0.7
Production workers	599	710	1,021	1,087	+81.5	+18.5	+43.8	+6.5
Hours worked (1,000s)	1,007	1,247	1,475	1,584	+57.3	+23.8	+18.3	+7.4
Total compensation (\$1,000)	7,175	9,633	11,165	12,024	+67.6	+34.3	+15.9	+7.7
Hourly total compensation	\$7.13	\$7.72	\$7.57	\$7.59	+6.5	+8.4	-2.0	+0.3
Productivity (lbs./hour)	55.7	55.6	59.9	59.5	+6.8	-0.2	+7.7	-0.6
Unit labor costs (per 1,000 pounds)	\$138.79	\$139.03	\$126.45	\$127.63	-8.0	+0.2	-9.0	+0.9
Net sales—								
Quantity	45,768	64,022	82,402	94,144	+105.7	+39.9	+28.7	+14.2
Value	35,615	44,093	59,046	60,554	+70.0	+23.8	+33.9	+2.6
Unit sales value	\$0.78	\$0.69	\$0.72	\$0.64	-17.3	-11.5	+4.0	-10.2
All expenses	32,095	42,236	57,803	61,909	+92.9	+31.6	+36.9	+7.1
Net income (loss)	3,520	1,857	1,243	(1,355)	-138.5	-47.2	-33.1	-209.0
Capital expenditures	***	***	***	***	+16.5	+21.8	-19.1	+18.3
Total assets	***	***	***	***	+47.1	+39.6	+23.3	-14.5
Unit expenses	\$0.70	\$0.66	\$0.70	\$0.66	-6.0	-5.7	+6.3	-6.3
Unit net income (loss)	\$0.08	\$0.03	\$0.02	(\$0.01)	-118.3	-63.0	-48.0	-195.4
Net income(loss)/sales ⁴	9.9	4.2	2.1	(2.2)	-12.1	-5.7	-2.1	-4.3

¹ "Reported data" are in percent and "period changes" are in percentage points.² Includes imports from Hong Kong.³ A decrease of less than 0.05 percentage points.⁴ A decrease of less than 0.05 percent.⁵ Data are for China only.⁶ Not applicable.

Note.—Period changes are derived from the unrounded data. Period changes involving negative period data are positive if the amount of the negativity decreases and negative if the amount of the negativity increases. Because of rounding, figures may not add to the totals shown. Unit values and other ratios are calculated from the unrounded figures, using data of firms supplying both numerator and denominator information.

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

Table C-1
Fresh garlic: Summary data concerning the U.S. market, crop years 1998-2000

(Quantity=1,000 pounds, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per pound;
 period changes=percent, except where noted)

Item	Reported data			Period changes		
	1998	1999	2000	1998-2000	1998-1999	1999-2000
U.S. consumption quantity:						
Amount	160,822	190,524	186,417	15.9	18.5	-2.2
Producers' share (1)	68.0	43.8	68.9	0.8	-24.2	25.1
Importers' share (1):						
China	0.3	0.5	0.6	0.2	0.2	0.1
Other sources	31.6	55.7	30.6	-1.1	24.1	-25.1
Total imports	32.0	56.2	31.1	-0.8	24.2	-25.1
U.S. consumption value:						
Amount	124,809	149,902	118,647	-4.9	20.1	-20.9
Producers' share (1)	76.5	59.5	75.5	-0.9	-17.0	16.0
Importers' share (1):						
China	0.1	0.2	0.2	0.1	0.1	-0.0
Other sources	23.5	40.3	24.3	0.9	16.9	-16.0
Total imports	23.5	40.5	24.5	0.9	17.0	-16.0
U.S. imports from:						
China:						
Quantity	497	876	1,030	107.2	76.2	17.5
Value	92	261	182	98.9	184.8	-30.2
Unit value	\$0.18	\$0.30	\$0.18	-4.0	61.6	-40.6
Ending inventory quantity	0	0	0	(2)	(2)	(2)
Other sources:						
Quantity	60,686	106,137	56,972	12.0	108.6	-46.3
Value	29,285	60,445	28,848	-1.5	108.4	-62.3
Unit value	\$0.58	\$0.57	\$0.51	-12.0	-1.0	-11.1
Ending inventory quantity	615	1,766	1,136	120.6	242.9	-35.7
All sources:						
Quantity	61,386	107,013	58,002	12.9	108.3	-45.8
Value	29,377	60,706	29,031	-1.2	108.6	-62.2
Unit value	\$0.57	\$0.57	\$0.50	-12.5	-0.8	-11.8
Ending inventory quantity	615	1,766	1,136	120.6	242.9	-35.7
U.S. producers:						
Average capacity quantity	183,684	192,302	198,995	8.3	4.7	3.5
Production quantity	122,722	100,062	152,571	24.3	-18.5	62.5
Capacity utilization (1)	66.8	52.0	76.7	9.9	-14.8	24.6
U.S. shipments:						
Quantity	109,437	83,511	128,415	17.3	-23.7	53.8
Value	95,432	89,196	89,616	-6.1	-6.5	0.5
Unit value	\$0.87	\$1.07	\$0.70	-20.0	22.5	-34.7
Export shipments:						
Quantity	3,884	2,401	5,364	38.1	-38.2	123.4
Value	3,338	2,242	2,911	-12.8	-32.8	29.8
Unit value	\$0.86	\$0.93	\$0.54	-36.9	8.7	-41.9
Ending inventory quantity	***	***	***	***	***	***
Inventories/total shipments (1)	***	***	***	***	***	***
Production workers	931	875	988	6.1	-6.0	12.9
Hours worked (1,000s)	1,603	1,409	1,673	11.3	-6.3	18.7
Wages paid (\$1,000s)	10,262	10,192	12,195	18.8	-0.7	19.7
Hourly wages	\$6.83	\$7.23	\$7.29	6.8	5.9	0.8
Productivity (pounds per hour)	71.6	67.7	82.1	14.7	-5.4	21.3
Unit labor costs	\$0.10	\$0.11	\$0.09	-6.9	12.0	-16.9
Net sales:						
Quantity	113,137	84,890	133,071	17.6	-25.0	66.6
Value	102,011	94,905	94,902	-7.0	-7.0	-0.0
Unit value	\$0.90	\$1.12	\$0.71	-20.9	24.0	-36.2
Cost of goods sold (COGS)	68,573	72,616	75,596	10.2	5.9	4.1
Gross profit or (loss)	33,438	22,289	19,307	-42.3	-33.3	-13.4
SG&A expenses	17,706	15,082	16,029	-9.5	-14.8	6.3
Operating income or (loss)	15,732	7,207	3,278	-79.2	-64.2	-64.5
Capital expenditures	6,026	9,267	3,118	-48.3	64.1	-66.4
Unit COGS	\$0.61	\$0.86	\$0.57	-6.3	41.1	-33.6
Unit SG&A expenses	\$0.16	\$0.18	\$0.12	-23.0	13.5	-32.2
Unit operating income or (loss)	\$0.14	\$0.08	\$0.02	-82.3	-38.9	-71.0
COGS/sales (1)	67.2	76.5	79.7	12.4	9.3	3.1
Operating income or (loss)/sales (1)	15.4	7.6	3.5	-12.0	-7.8	-4.1

(1) "Reported data" are in percent and "period changes" are in percentage points.

(2) Not applicable

Note.—Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.

Table I-9

Fresh garlic: World production of all types of garlic, by major producing countries, 1995-2005

Producing country	Calendar year										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Quantity (million pounds)											
Argentina	162	202	256	326	331	329	295	276	322	315	315
Brazil	130	115	134	122	159	186	225	252	271	188	195
China	11,848	12,377	12,545	12,818	13,148	16,504	17,403	20,018	22,219	23,354	24,457
India	889	1,080	965	1,068	1,141	1,157	1,095	1,102	1,102	1,102	1,102
Korea ¹	1,107	1,005	868	868	1,067	1,046	896	862	835	789	772
Mexico	96	144	165	147	147	122	123	91	98	98	98
Thailand	291	325	269	260	278	291	279	231	211	236	243
United States	470	613	561	551	660	558	588	565	624	522	522

¹ The Republic of Korea.

Source: Data for 1994-1999 were taken from *Fresh Garlic From China, Inv. No. 731-TA-683 (Review)*, USITC Publication 3393, February 2001, table IV-4, with the exception of data for, Brazil, Korea and Thailand which was obtained from The Food and Agriculture Organization of the United Nations website found at, <http://www.faostat.fao.org>, retrieved June 12, 2006. Data for 2000-05 are from The Food and Agriculture Organization of the United Nations as found in the domestic interested parties' response, exh. 6.

APPENDIX D
PURCHASER QUESTIONNAIRE RESPONSES

As part of their response to the notice of institution, interested parties were asked to provide a list of three to five leading purchasers in the U.S. market for the domestic like product. A response was received from domestic interested parties and it named the following three firms as the top purchasers of fresh garlic: ***. Purchaser questionnaires were sent to these three firms and two firms (***) provided responses which are presented below.

1. a.) Have any changes occurred in technology; production methods; or development efforts to produce fresh garlic that affected the availability of fresh garlic in the U.S. market or in the market for fresh garlic in China since 2012?
- b.) Do you anticipate any changes in technology; production methods; or development efforts to produce fresh garlic that will affect the availability of fresh garlic in the U.S. market or in the market for fresh garlic in China within a reasonably foreseeable time?

Purchaser	Changes that have occurred	Anticipated changes
***	No.	No.
***	No. Not to my knowledge.	No Not to my knowledge.

2. a.) Have any changes occurred in the ability to increase production of fresh garlic (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production) that affected the availability of fresh garlic in the U.S. market or in the market for fresh garlic in China since 2012?
- b.) Do you anticipate any changes in the ability to increase production (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production) that will affect the availability of fresh garlic in the U.S. market or in the market for fresh garlic in China within a reasonably foreseeable time?

Purchaser	Changes that have occurred	Anticipated changes
***	Yes. California drought starting in 2012 placed increased focus on water access rights and diverted water to higher cost crops such as nuts.	Yes. As of 2017, drought in California has ended.
***	No. Not to my knowledge.	No Not to my knowledge.

3. a.) Have any changes occurred in factors related to the ability to shift supply of fresh garlic among different national markets (including barriers to importation in foreign markets or changes in market demand abroad) that affected the availability of fresh garlic in the U.S. market or in the market for fresh garlic in China since 2012?
- b.) Do you anticipate any changes in factors related to the ability to shift supply among different national markets (including barriers to importation in foreign markets or changes in market demand abroad) that will affect the availability of fresh garlic in the U.S. market or in the market for fresh garlic in China within a reasonably foreseeable time?

Purchaser	Changes that have occurred	Anticipated changes
***	Yes. Saw increase in demand in U.S. garlic due to challenges with imported product.	No.
***	No. Not to my knowledge.	No Not to my knowledge.

4. a.) Have there been any changes in the end uses and applications of fresh garlic in the U.S. market or in the market for fresh garlic in China since 2012?

b.) Do you anticipate any changes in the end uses and applications of fresh garlic in the U.S. market or in the market for fresh garlic in China within a reasonably foreseeable time?

Purchaser	Changes that have occurred	Anticipated changes
***	No.	No.
***	No. Not to my knowledge.	No Not to my knowledge.

5. a.) Have there been any changes in the existence and availability of substitute products for fresh garlic in the U.S. market or in the market for fresh garlic in China since 2012?

b.) Do you anticipate any changes in the existence and availability of substitute products for product in the U.S. market or in the market for fresh garlic in China within a reasonably foreseeable time?

Purchaser	Changes that have occurred	Anticipated changes
***	No.	No.
***	No. Not to my knowledge.	No Not to my knowledge.

6. a.) Have there been any changes in the level of competition between fresh garlic produced in the United States, fresh garlic produced in China, and such merchandise from other countries in the U.S. market or in the market for fresh garlic in China since 2012?

b.) Do you anticipate any changes in the level of competition between fresh garlic produced in the United States, fresh garlic produced in China, and such merchandise from other countries in the U.S. market or in the market for fresh garlic in China within a reasonably foreseeable time?

Purchaser	Changes that have occurred	Anticipated changes
***	Yes. Seen increase in availability of competitive product from Spain, Mexico, and Argentina.	No.
***	No. Not to my knowledge.	No Not to my knowledge.

7. a.) Have there been any changes in the business cycle for fresh garlic in the U.S. market or in the market for fresh garlic in China since 2012?
- b.) Do you anticipate any changes in the business cycle for fresh garlic in the U.S. market or in the market for fresh garlic in China within a reasonably foreseeable time?

Purchaser	Changes that have occurred	Anticipated changes
***	No.	No.
***	No. Not to my knowledge.	No Not to my knowledge.

