Mushroom growers

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of the U.S. consumption of mushrooms is a reasonable and fair contribution for the mushroom industry to make to the operations of U.S. trade policy," said Kooker.

According to the AMI director, these continually increasing quantities of imported canned mushrooms have hurt U.S. mushroom growers considerably—causing 25 percent of the growers to go out of business and causing eight of 29 canneries in the U.S. to fold.

Earlier this summer, in a report to the president, the ITC said, "It is our view that the domestic mushroom industry continues to suffer serious harm from import competition." Imports of canned mushrooms from China increased from 17 thousand pounds in 1978 to 14.8 million pounds in 1980, principally because China was granted lower duties under a trade agreement effective Feb. 1, 1960. In 1961, China doubled its exports to 27.4 million pounds by pricing its exports to the U.S. 17 to 37 percent lower than prices charged by Korea and Taiwan and under selling domestic mushrooms by 17 cents per pound.

Kooker explained that in 1980, the U.S. mushroom industry petitioned the president and pursued import relief from China. Carter responded by placing a tariff and quantitative limitations on mushroom imports. Duties were increased by 20 percent that year, dropped to 15 percent last year, and to 10 percent this year—the final year of import relief, Kooker said.

But, in order to stimulate trade, China was given special consideration and was allowed to export mushrooms duty-free to the U.S. under its "most favored nation status." In effect, Kooker said, the U.S. financed the growing and processing of mushrooms in China.

"Mushroom growers in the U.S. had accepted Carter's increased duties as a deterrent—a chance to pull ourselves up by our boot straps through increased efficiency in growing and through alternative markets," Kooker said, citing the trend for the U.S. mushroom growers to produce for the fresh market. "But, the duty acted as no deterrent to China."

With the economic hardships inflicted on U.S. mushroom growers by competition from imports, Kooker noted there was no money for growers to invest in developing fresh markets. "The industry realizes it is something that is necessary. Growers realize

the need. But at the same time they're asking: 'Where are we going to get the money?'"

Unable to compete with foreign imports in the U.S. market, and with domestic mushroom canneries folding, growers here in the states have begun "dumping" mushrooms into the fresh market and as a result are depressing prices by roughly 20 cents a pound. To avoid further price reduction, Kooker stressed the need to increase per capita consumption of mushrooms by developing new markets and changing the public's thinking. "We have to get the consumer to think of mushrooms not only as a garnish but as a full side vegetable," he said.

In order to achieve the needed research and promotion to keep the U.S. mushroom industry healthy, Kooker said AMI is "pursuing a questionaire of grower interest in a marketing order."

Earlier this year Sen. John Heinz and Rep. Richard Schulze introduced legislation in both sides of Congress which would amend the Agriculture Agreement Act of 1937 to include mushrooms in marketing orders and to allow paid advertising. The legislation remains in both the Senate and House Agriculture committees.

The referendum would call for a progressive grower contribution up to a maximum of one cent per pound over a three-year period. To

pass, the referendum would need two-thirds of the growers' approvals. Once passed, the checkoff would be mandatory, Kooker explained, and everyone would pay. The roughly \$2.5 million that would be contributed by the growers for promotion and research would be administered by a 24 person board representative of production, he added. Large companies that carry out brand advertising of mushrooms would be given 50 percent credit on their checkoff share.

Why should growers vote "yes" on the proposed referendum? According to Kooker, it will provide the avenues for increased demand through more advertising dollars. Currently Americans consume only 2.5 pounds of mushrooms each year, compared with 7 pounds a year in Canada and 7.7 pounds in Europe.

"Our per capita consumption could double with investment,"

said Kooker, adding mushroom growers are "Rhodes scholars" in production but "school dropouts" when it comes to promotion and marketing.

Kooker noted much work has to be done in educating produce managers on the proper way to handle mushrooms to maintain their high quality from farm to consumer.

The future of the mushroom industry hinges on the efforts growers are willing to put into current legislative events, Kooker stated, while urging farmers and growers to contact their Congressmen and enlist their support for the orderly marketing agreement. He also urged support of the proposed referendum to help build sales of fresh mushrooms.

Without the referendum "the market will build because of growers going out. Survivors will pick up what the others lose," Kooker concluded.





