



DEPARTMENT OF COMMERCE

International Trade Administration

[C-122-874]

Fresh Mushrooms from Canada: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination with Final Antidumping Duty Determination

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily determines that countervailable subsidies are being provided to producers and exporters of fresh mushrooms from Canada. The period of investigation is January 1, 2024, through December 31, 2024. Interested parties are invited to comment on this preliminary determination.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Ines Martinand or Colton Dulin, AD/CVD Operations, Office II, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-2000 or (202) 482-1222, respectively.

SUPPLEMENTARY INFORMATION:

Background

This preliminary determination is made in accordance with section 703(b) of the Tariff Act of 1930, as amended (the Act). Commerce published the notice of initiation of this investigation on January 8, 2026.¹ Due to the lapse in appropriations and Federal Government shutdown, on November 14, 2025, Commerce tolled all deadlines in administrative proceedings

¹ See *Fresh Mushrooms from Canada: Initiation of Countervailing Duty Investigation*, 91 FR 668 (January 8, 2026) (*Initiation Notice*).

by 47 days.² Additionally, due to a backlog of documents that were electronically filed via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS) during the Federal Government shutdown, on November 24, 2025, Commerce tolled all deadlines in administrative proceedings by an additional 21 days.³ On February 18, 2026, Commerce postponed the preliminary determination of this investigation until May 12, 2026.⁴

For a complete description of the events that followed the initiation of this investigation, see the Preliminary Decision Memorandum.⁵ A list of topics discussed in the Preliminary Decision Memorandum is included as Appendix II to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via ACCESS. ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <https://access.trade.gov/public/frnotice>.

Scope of the Investigation

The product covered by this investigation is fresh mushrooms from Canada. For a complete description of the scope of this investigation, see Appendix I.

Scope Comments

In accordance with the *Preamble* to Commerce's regulations,⁶ the *Initiation Notice* set aside a period of time for parties to raise issues regarding product coverage (*i.e.*, scope).⁷ Certain interested parties commented on the scope of the investigation as it appeared in the *Initiation Notice*. Commerce intends to issue its preliminary decision regarding comments concerning the

² See Memorandum, "Deadlines Affected by Shutdown of the Federal Government," dated November 14, 2025.

³ See Memorandum, "Tolling of All Case Deadlines," dated November 24, 2025.

⁴ See *Fresh Mushrooms from Canada: Postponement of Preliminary Determination in the Countervailing Duty Investigation*, 91 FR 7440 (February 18, 2026).

⁵ See Memorandum, "Decision Memorandum for the Preliminary Affirmative Determination of the Countervailing Duty Investigation of Fresh Mushrooms from Canada," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

⁶ See *Antidumping Duties; Countervailing Duties, Final Rule*, 62 FR 27296, 27323 (May 19, 1997).

⁷ See *Initiation Notice*.

scope of the less-than-fair value (LTFV) and countervailing duty (CVD) investigations in the preliminary determination of the companion LTFV investigation.

Methodology

Commerce is conducting this investigation in accordance with section 701 of the Act. For each of the subsidy programs found countervailable, Commerce preliminarily determines that there is a subsidy, *i.e.*, a financial contribution by an “authority” that gives rise to a benefit to the recipient, and that the subsidy is specific.⁸

Alignment

As noted in the Preliminary Decision Memorandum, in accordance with section 705(a)(1) of the Act and 19 CFR 351.210(b)(4), Commerce is aligning the final determination in this investigation with the final determination in the companion LTFV investigation of fresh mushrooms from Canada based on a request made by Fresh Mushrooms Fair Trade Coalition and its individual members (the petitioner).⁹ Consequently, the final determination will be issued on the same date as the final LTFV determination, which is currently scheduled to be issued no later than September 28, 2026, unless postponed.

All-Others Rate

Sections 703(d) and 705(c)(5)(A) of the Act provide that in the preliminary determination, Commerce shall determine an estimated all-others rate for companies not individually examined. This rate shall be an amount equal to the weighted average of the estimated subsidy rates established for those companies individually examined, excluding any zero and *de minimis* rates and any rates based entirely under section 776 of the Act.

Pursuant to section 705(c)(5)(A)(ii) of the Act, Commerce calculated an individual estimated countervailable subsidy rate for Champ’s Fresh Farms Inc. (Champ’s) and Farmers’

⁸ See sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

⁹ See Petitioner’s Letter, “Request to Align Countervailing Duty Investigation Final Determination with Antidumping Duty Investigation Final Determination,” dated May 12, 2026

Fresh Mushroom Inc. (Farmers' Fresh) that are not zero, or *de minimis*, or based entirely on facts otherwise available. Thus, Commerce calculated the all-others rate by weight averaging the estimated countervailable subsidy rates that it calculated for Champ's and Farmers' Fresh by each company's publicly-ranged values of sales of subject merchandise during the POI.¹⁰

Preliminary Determination

Commerce preliminarily determines that the following estimated countervailable subsidy rates exist:

Company	Subsidy Rate (percent <i>ad valorem</i>)
Champ's Fresh Farms Inc. ¹¹	1.62
Farmers' Fresh Mushrooms Inc. ¹²	4.97
All Others	2.84

Suspension of Liquidation

In accordance with sections 703(d)(1)(B) and (d)(2) of the Act, Commerce will direct U.S. Customs and Border Protection (CBP) to suspend liquidation of entries of fresh mushrooms, as described in the scope of the investigation section, entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the *Federal Register*. Further, pursuant to section 703(d)(1)(B) of the Act and 19 CFR 351.107(e), Commerce will instruct CBP to require a cash deposit equal to the estimated company-specific countervailable subsidy rate or the estimated all-others rate, as follows: (1) the cash deposit rate for the respondents listed above

¹⁰ With two respondents under examination, Commerce normally calculates: (A) a weighted-average of the estimated weighted-average dumping margins calculated for the examined respondents; (B) a simple average of the estimated weighted-average dumping margins calculated for the examined respondents; and (C) a weighted-average of the estimated weighted-average dumping margins calculated for the examined respondents using each company's publicly-ranged U.S. sales values for the merchandise under consideration. Commerce then compares (B) and (C) to (A) and selects the rate closest to (A) as the most appropriate rate for all other producers and exporters. *See, e.g., Ball Bearings and Parts Thereof from France, Germany, Italy, Japan, and the United Kingdom: Final Results of Antidumping Duty Administrative Reviews, Final Results of Changed-Circumstances Review, and Revocation of an Order in Part*, 75 FR 53661, 53662 (September 1, 2010), and accompanying Issues and Decision Memorandum at Comment 1. As complete publicly ranged sales data were available, Commerce based the all-others rate on the publicly ranged sales data of the mandatory respondents. For a complete analysis of the data, see the All-Others Rate Calculation Memorandum.

¹¹ As discussed in the Preliminary Determination Memorandum, Commerce has found the following to be cross owned with Champ's: Loveday Mushroom Farms Ltd. *See* Preliminary Decision Memorandum at 6.

¹² As discussed in the Preliminary Decision Memorandum, Commerce found the following to be cross owned with Farmers' Fresh: Ross Land Mushroom Farm Ltd.; Farmers' Fresh Management Ltd.; 1134017 B.C. Ltd. (d/b/a Triple 8 Mushrooms); and Abbycel Substrate Ltd. *See* Preliminary Decision Memorandum at 8.

will be equal to the company-specific estimated individual countervailable subsidy rates determined in this preliminary determination; (2) if both the producer and exporter of the subject merchandise have company-specific estimated subsidy rates determined in this preliminary determination, and their rates differ, then the applicable cash deposit rate will be the higher of these two rates; (3) if either the producer or the exporter, but not both, of the subject merchandise have a company-specific estimated subsidy rate determined in this preliminary determination, the applicable cash deposit rate will be that company's company-specific rate; and (4) the cash deposit rate for all other producers and exporters will be equal to the estimated all-others subsidy rate.

Disclosure

Commerce intends to disclose its calculations and analysis performed to interested parties in this preliminary determination within five days of its public announcement, or if there is no public announcement, within five days of the date of this notice in accordance with 19 CFR 351.224(b).

Consistent with 19 CFR 351.224(e), Commerce will analyze and, if appropriate, correct any timely allegations of significant ministerial errors by amending the preliminary determination. However, consistent with 19 CFR 351.224(d), Commerce will not consider incomplete allegations that do not address the significance standard under 19 CFR 351.224(g) following the preliminary determination. Instead, Commerce will address such allegations in the final determination together with issues raised in the case briefs or other written comments.

Verification

As provided in section 782(i)(1) of the Act, Commerce intends to verify the information relied upon in making its final determination.

Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance no later than seven days after the date on which the last

verification report is issued in this investigation. Rebuttal briefs, limited to issues raised in the case briefs, may be filed not later than five days after the date for filing case briefs.¹³ Interested parties who submit case or rebuttal briefs in this proceeding must submit: (1) a table of contents listing each issue; and (2) a table of authorities.¹⁴

As provided under 19 CFR 351.309(c)(2)(iii) and (d)(2)(iii), we request that interested parties provide at the beginning of their briefs a public executive summary for each issue raised in their briefs.¹⁵ Further, we request that interested parties limit their executive summary of each issue to no more than 450 words, not including citations. We intend to use the executive summaries as the basis of the comment summaries included in the issues and decision memorandum that will accompany the final determination in this investigation. We request that interested parties include footnotes for relevant citations in the executive summary of each issue. Note that Commerce has amended certain of its requirements pertaining to the service of documents in 19 CFR 351.303(f).¹⁶

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited to issues raised in the case and rebuttal briefs, must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce within 30 days after the date of publication of this notice. Requests should contain: (1) the party's name, address, and telephone number; (2) the number of participants and whether any participant is a foreign national; and (3) a list of issues to be discussed. If a request for a hearing is made, Commerce intends to hold the hearing at a time and date to be determined. Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

¹³ See 19 CFR 351.309(d); *see also Administrative Protective Order, Service, and Other Procedures in Antidumping and Countervailing Duty Proceedings*, 88 FR 67069, 67077 (September 29, 2023) (*APO and Service Final Rule*).

¹⁴ See 19 CFR 351.309(c)(2) and (d)(2).

¹⁵ We use the term "issue" here to describe an argument that Commerce would normally address in a comment of the Issues and Decision Memorandum.

¹⁶ See *APO and Service Final Rule*.

U.S. International Trade Commission (ITC) Notification

In accordance with section 703(f) of the Act, Commerce will notify the ITC of its determination. If the final determination is affirmative, the ITC will determine before the later of 120 days after the date of this preliminary determination or 45 days after the final determination whether imports of fresh mushrooms from Canada are materially injuring, or threaten material injury to, the U.S. industry.

Notification to Interested Parties

This determination is issued and published pursuant to sections 703(f) and 777(i) of the Act, and 19 CFR 351.205(c).

Dated: May 12, 2026.

Christopher Abbott,
*Deputy Assistant Secretary
for Policy and Negotiations,
performing the non-exclusive functions and duties
of the Assistant Secretary for Enforcement and Compliance.*

Appendix I

Scope of the Investigation

The merchandise covered by this investigation is fresh mushrooms of the genus *Agaricus* (fresh mushrooms). This includes, but is not limited to, fresh mushrooms of the species *Agaricus bisporus*, which are commonly referred to as button mushrooms, chestnut mushrooms, cremini or crimini mushrooms, baby bellas, portabella or portobello mushrooms, table mushrooms, or as white or browns. Fresh mushrooms include whole mushrooms, as well as mushrooms that have been sliced, diced, or separated into stems and pieces prior to importation. Fresh mushrooms may also be imported in bulk or loose form, or may be imported in individual containers packaged for retail sale. The scope of this investigation includes all fresh mushrooms of the genus *Agaricus*, whether or not organic, and irrespective of age, cut, color, size, species, or packaging.

Subject merchandise may be cleaned, washed, inspected, subjected to metal detection, sliced, diced, or de-stemmed, and/or vacuum cooled prior to importation, but otherwise undergoes minimal further processing. The scope of this investigation covers fresh mushrooms of the genus *Agaricus* regardless of end use, including both mushrooms destined for the fresh market and mushrooms intended for food processing.

Fresh mushrooms of the genus *Agaricus* are currently classifiable under Harmonized Tariff Schedule of the United States (HTSUS) statistical reporting number 0709.51.0100. Although the HTSUS statistical reporting number is provided for convenience and customs purposes, the written description of the scope of this investigation is dispositive.

Appendix II

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Injury Test
- IV. Diversification of Canada's Economy
- V. Subsidies Valuation Information
- VI. New Subsidy Allegations
- VII. Use of Partial Facts Available
- VIII. Analysis of Programs
- IX. Recommendation

[FR Doc. 2026-09910 Filed: 5/15/2026 8:45 am; Publication Date: 5/18/2026]