

Hi «Staff_First»,

Thank you and «Title» «Member_Last» for joining 39 other members of the House and Senate in writing to the Department of Commerce (DOC) on October 23, 2023, regarding the Department's administrative review of the duties on phosphate fertilizer from Morocco and the U.S. Court of International Trade's (USCIT) remand of the original duty calculation back to DOC. The administrative review resulted in a reduction in the tariff from 19.9% to 2.12%. Unfortunately, the review is retroactive and this reduction only applies to product which entered in 2021 and 2022. The administrative review for the current period could result in a significant increase, creating significant uncertainty for importers. The response to the USCIT on the remand is expected next week. A copy of the letter is linked [here](#).

In a similar case, on September 19, 2023, the U.S. Court of International Trade ordered that the International Trade Commission's determination of material injury be remanded back to the ITC. The ITC's response to the court is due January 17. If the ITC were to reverse its earlier decision, and assuming that any further appeal would be unsuccessful, the harmful tariffs which have limited supply and increased farmer prices would end. There is precedent for the ITC to do so. In July 2022, the ITC reversed its injury determination on urea ammonium nitrate fertilizers.

Representative Mann and Senator Marshall are circulating a letter to the ITC raising concerns about the process and urging the Commission to consider the views of those most affected by the tariffs. We hope «Title» «Member_Last» will consider signing on.

You may be interested to know that earlier today, 57 national and state commodity organizations wrote the ITC opposing the tariffs and urging the ITC to reverse its injury determination. A copy of the letter is linked [here](#).

If I can answer any questions about the process or the impact that the duties are having on farmers, I would welcome the opportunity to provide more information.

Thanks for your past support and consideration of this request.

Kind regards,

Hunt Shipman

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Hunt Shipman

Principal and Director

D 202-448-9571 M 202-651-1039



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December 7, 2023

The Honorable David S. Johanson
Chairman
U.S. International Trade Commission
500 E Street SW
Washington, D.C. 20436

Dear Chairman Johanson:

We write in regard to the remand decision ordered by the U.S. Court of International Trade (CIT) to the U.S. International Trade Commission (ITC) for duties on phosphate fertilizer imported from Morocco (Consol. Court No. 21-00219). As farmers continue to experience high costs and supply challenges for fertilizer inputs, our organizations hold deep concern for actions that restrict availability of phosphate into the U.S. market. We urge the ITC to consider impacts on family farms as it works to reconsider its determination of material injury to domestic industries.

Rising prices for fertilizer inputs have strained America's farmers and ranchers and have impacted availability for this critical component of nutrient and yield management. Without predictable options to source this product, farmers struggle to plan for the future. International supply chain issues further complicate the ability to source phosphate. For example, triple super phosphate is not available domestically but still faces a duty. Agriculture supply chains are intricate and complicated, and the premise that re-shipping product from an originally intended destination to respond to regional demand fluctuations is simply not correct. Instead, reliance on this incorrect premise has led to high fertilizer costs that create volatility and compromise the ability of farmers to be successful.

The ITC's affirmative injury determination in 2021 was appealed by the respondents, and several of our associations also submitted an amicus brief opposed to the determination. We understand that the CIT found that the ITC did not adequately consider factors that impacted the domestic supply when making their affirmative injury determination. The CIT further elaborated that the ITC's consideration of import increases in 2019 failed to take appropriate account for weather challenges that caused logistical hurdles and created a temporary mismatch between supply and demand in some parts of the country. Because the ITC did not consider the volume of imports in light of the regional impact of weather, the result was an injury determination without the necessary factual support. We urge the ITC to appropriately consider the issues raised by the CIT when developing their revised injury determination.

We understand that the Department of Commerce (Commerce) is also working on recalculating these duties, as the CIT found errors within their calculation process and remanded the case back to the agency. With impending decisions from Commerce and the ITC, our organizations simply want accurate consideration of the facts and impacts on American farmers. Farmers are the lifeblood of our food supply, contributing to our economic strength and the resilience of rural communities. When burdened with high input costs, farmers see ripple effects occurring in every

facet of their operation. This inhibits their ability to increase market access on the global stage and satisfy both local and regional customers.

We strongly urge the ITC to consider the points raised by the CIT in re-evaluating the material injury determination, as well as the impact on farmers. We are available to answer any questions and look forward to your forthcoming decision.

Sincerely,



Harold Wolle, Jr.
President
National Corn Growers Association

American Farm Bureau Federation
American Soybean Association
International Fresh Produce Association
National Association of Wheat Growers
National Cotton Council
National Sorghum Producers
Society of American Florists
U.S. Rice Producers Association
USA Rice

Alabama Soybean and Corn Association
Arkansas Soybean Association
California Association of Winegrape Growers
Delta Council
Georgia Corn Growers Association
Georgia-Florida Soybean Association
Illinois Corn Growers Association
Illinois Soybean Association
Indiana Corn Growers Association
Indiana Soybean Alliance
Iowa Corn Growers Association
Iowa Soybean Association
Kansas Corn Growers Association
Kansas Soybean Association
Kentucky Corn Growers Association
Kentucky Soybean Association
Louisiana Cotton and Grain Association
Maryland Grain Producers Association
Michigan Soybean Association
Mid Atlantic Soybean Association
Minnesota Corn Growers Association

Minnesota Soybean Growers Association
Mississippi Soybean Association
Missouri Corn Growers Association
Missouri Soybean Association
Nebraska Corn Growers Association
Nebraska Soybean Growers Association
New York Corn and Soybean Growers Association
North Carolina Soybean Producers Association
North Dakota Corn Growers Association
North Dakota Soybean Growers Association
Ohio Corn and Wheat Growers Association
Ohio Soybean Association
Oklahoma Soybean Association
Pennsylvania Corn Growers Association
South Carolina Corn and Soybean Association
South Dakota Corn Growers Association
South Dakota Soybean Association
Tennessee Corn Growers Association
Tennessee Soybean Association
Texas Citrus Mutual
Texas Corn Producers Association
Texas International Produce Association
Texas Soybean Association
Virginia Grain Producers Association
Virginia Soybean Association
Wisconsin Corn Growers Association
Wisconsin Soybean Association

CC:

The Honorable Thomas J. Vilsack, Secretary, U.S. Department of Agriculture
The Honorable Gina Raimondo, Secretary, U.S. Department of Commerce
Members of Congress

Congress of the United States

Washington, DC 20515

October 24, 2023

The Honorable Gina Raimondo
Secretary
Department of Commerce
1401 Constitution Avenue N.W.
Washington, D.C. 20230
Dear Secretary Raimondo:

Case No. C-714-001
POR: 11/30/2020 - 12/31/2021
ITA/E&C/Office VII

We write concerning the countervailing duty (CVD) proceeding on Phosphate Fertilizers from Morocco and the recent remand of the Department of Commerce's (Commerce) subsidy calculations in this proceeding (*Mosaic Co. v. United States*, Consol. Court No. 21-00116, Ct. Int'l Trade Sep. 14, 2023). As Commerce considers its response to the U.S. Court of International Trade (CIT), it is also finishing its first administrative review of the Order. We are encouraged by Commerce's preliminary findings in its administrative review, reducing the subsidy rate from 19.97% to 14.49%. We ask that Commerce carefully consider and follow the CIT's decision in Commerce's recalculation of the subsidy amount, both in its final determination in the investigation and its administrative review. Reducing the subsidy rate would provide welcomed relief for U.S. farm suppliers and their customers, American family farms.

Commerce's subsidy rate calculation has a significant effect on U.S. farmers. In 2023, the U.S. demand for phosphate fertilizer is estimated to be 7.4 million metric tons. As the petitioner in the underlying proceeding continues to export production, imports are required to supply 2.7 million metric tons of this amount. Since the imposition of CVD on Moroccan phosphate fertilizers in 2020,¹ the supply options to meet U.S. farmers' phosphate needs have significantly decreased. Saudi Arabia (where the petitioner has invested in production and which is not subject to any Order) has become the only major exporter of phosphate fertilizer to the U.S., accounting for 66% of diammonium phosphate (DAP) imports and 25% of monoammonium phosphate (MAP) imports.

This situation has contributed to the high volatility of fertilizer prices overall, increased costs of a critical nutrient, and exposed farmers to the risk of inadequate supply into the future, given the lack of sufficient domestic supply to meet U.S. farmers' needs.

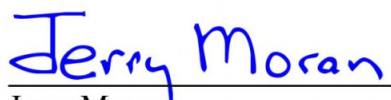
While many factors impact the regional and global prices for phosphate-based fertilizers, the impact of the CVD proceeding on Moroccan exports to the U.S. was felt immediately and continues to provide upward pricing pressure. Since the imposition of the duty, average prices in New Orleans, the central pricing hub for the U.S., have been the highest in the world. This year, U.S. DAP prices were 11% higher than Brazil's and 8% higher than India's. American farmers purchase this key input at elevated prices but sell their crops at global market prices where they compete with major producers such as Brazil. The current CVD Order on Moroccan exports and magnitude places U.S. farmers at a competitive disadvantage. We now understand from the CIT that significant errors in Commerce's initial calculation exacerbated this

¹ Phosphate Fertilizers From the Kingdom of Morocco: Preliminary Affirmative Countervailing Duty Determination, 85 Fed. Reg. 76,522 (Int'l Trade Admin. Nov. 30, 2020).

disadvantage. Accordingly, we urge the Department of Commerce to carefully address the matters determined by the CIT to be in error in the remand determination and in the upcoming final results of the final administrative review.

American family farmers need a reliable, diverse supply of many agricultural inputs, including fertilizers. The administrative review and the response to the CIT remand present opportunities to address this situation and to properly consider the facts as to the amount of subsidies in this proceeding since its inception.

Sincerely,



Jerry Moran
United States Senator



Roger Marshall, M.D.
United States Senator



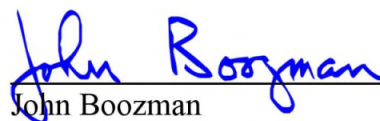
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Member of Congress



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Cindy Hyde-Smith
United States Senator



John Boozman
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Deb Fischer
United States Senator



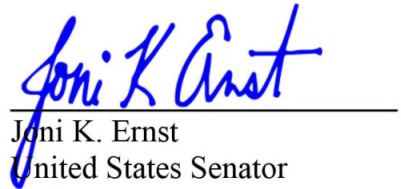
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Bill Hagerty
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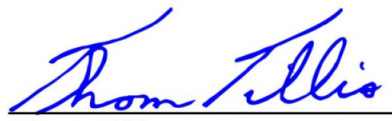
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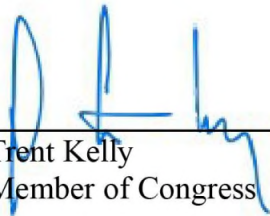
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Member of Congress



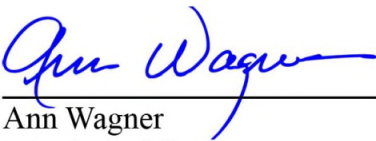
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Member of Congress




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Member of Congress



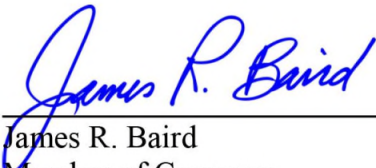
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Member of Congress




Ann Wagner
Member of Congress



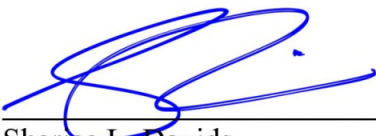
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Member of Congress




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Member of Congress



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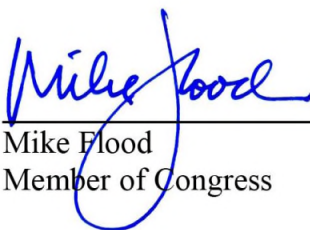
Adrian Smith
Member of Congress



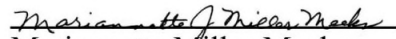
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Member of Congress


Mariannette Miller-Meeks,
M.D.
Member of Congress


David Rouzer
Member of Congress


Greg Pence
Member of Congress


Zach Nunn
Member of Congress

Email Recipients	Member First	Member Last	Staff First	Staff Last	Email
Congressman	Mark	Alford	Madelyn	Derks	madeyln.derks@mail.house.gov
Congressman	Jim	Baird	Lauryn	Adams	lauryn.adams@mail.house.gov
Senator	John	Boozman	Toni-Marie	Higgins	toni-marie_higgins@boozman.senate.gov
Congressman	Mike	Bost	Lacey	Bowersox	lacey.bowersox@mail.house.gov
Congressman	Ted	Budd	Charlie	Hobbs	charlie_hobbs@budd.senate.gov
Senator	John	Cornyn	Sophie	Foley	sophie_foley@cornyn.senate.gov
Congresswoman	Sharice	Davids	Sophia	Jorgenson	sophia.jorgenson@mail.house.gov
Senator	Joni	Ernst	Trenton	Hoekstra	trenton_hoekstra@ernst.senate.gov
Congressman	Mike	Ezell	Blake	Nolan	blake.nolan@mail.house.gov
Senator	Deb	Fischer	Craig	Berning	craig_berning@fischer.senate.gov
Congressman	Mike	Flood	Evan	Dean	evan.dean@mail.house.gov
Senator	Chuck	Grassley	Joe	Gilson	joe_gilson@grassley.senate.gov
Congressman	Sam	Graves	Jon	Harder	jonathan.harder@mail.house.gov
Congressman	Michael	Guest	Anna	May	anna.may@mail.house.gov
Congressman	Dusty	Johnson	Chance	Hunley	chance.hunley@mail.house.gov
Congressman	Trent	Kelly	Semaj	Redd	semaj.redd@mail.house.gov
Congressman	David	Kustoff	William	Courtney	william.courtney@mail.house.gov
Congressman	Jake	LaTurner	Jackie	Reif	jackie.reif@mail.house.gov
Congresswoman	Julia	Letlow	Tyler	Levins	tyler.levins@mail.house.gov
Congresswoman	Mariannette	Miller-Meeks	Ashlee	Bierworth	ashlee.bierworth@mail.house.gov
Congressman	Barry	Moore	Samantha	Barnett	samantha.barnett@mail.house.gov
Congressman	Zach	Nunn	Madeline	Dwelle	madeline.dwelle@mail.house.gov
Congressman	Jimmy	Panetta	Pete	Spiro	pete.spiro@mail.house.gov
Congressman	Greg	Pence	Leon	Striker	leon.striker@mail.house.gov
Congressman	Pete	Ricketts	Ashlynn	Beninga	ashlynn_beninga@ricketts.senate.gov
Congressman	John	Rose	Jason	Kroitor	jason.kroitor@mail.house.gov
Congressman	David	Rouzer	Bubba	White	bubba.white@mail.house.gov
Congressman	Adrian	Smith	Katie	Morley	katie.morley@mail.house.gov
Congressman	Thom	Tillis	Harrison	Walker	harrison_walker@tillis.senate.gov
Senator	Tommy	Tuberville	Emma	Johnston	emma_johnston@tuberville.senate.gov
Congresswoman	Ann	Wagner	Zach	Gates	zach.gates@mail.house.gov
Senator	Roger	Wicker	Mikhail	Love	mikhail_love@wicker.senate.gov
Senator	Todd	Young	Andrew	Murray	andrew_murray@young.senate.gov