

Hi _____,

_____ joined 86 other members of the House and Senate in writing to the International Trade Commission (ITC) in March 2022 opposing countervailing duties on phosphate fertilizer from Morocco. A copy of the letter is linked [here](#).

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 _____ 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

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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 20510

March 17, 2022

The Honorable Jason E. Kearns
Chair
U.S. International Trade Commission
500 E. Street, S.W.
Washington, D.C. 20436

Dear Chair Kearns:

We write to express our concern regarding the supply situation for fertilizers in the United States. Specifically, we urge you to **reconsider the duties placed on phosphate fertilizer products imported from Morocco and suspend the current process to impose new duties on urea ammonium nitrate fertilizer from Trinidad and Tobago.**

The conditions surrounding on-farm expenses in the United States have dramatically changed since the U.S. International Trade Commission's (ITC) determinations in the countervailing duty investigation of phosphate fertilizers from Morocco¹ and the antidumping duty investigation of urea ammonium nitrate (UAN) fertilizers from Trinidad and Tobago.² The U.S. Department of Agriculture (USDA) recently forecasted that farm production expenses will increase by 6.6% from 2021 in 2022.³ Several factors have led to these increased expenses – China's curtailed fertilizer exports⁴; a congested supply chain; increased demand; severe weather; the COVID-19 Pandemic; and general inflationary pressures. Additionally, farmers are seeing fertilizer prices four to five times higher than this time last year.⁵ Given the last several years' unprecedented volatility for farmers and ranchers, it is crucial America avoids imposing unnecessary duties that could further limit the fertilizer supply or raise its cost.

The duties on phosphate fertilizer products imported from Morocco should be reconsidered. Imports currently supply about one-third of all domestic phosphate fertilizer,⁶ and Morocco has been a long-time supplier to U.S. farmers. Currently, only about 35% of the world's traded supply of phosphate fertilizer is not subject to duties for import into the U.S.⁷ This has unnecessarily restricted supply and added costs. Historically, phosphate fertilizer accounts for 15% of total cash

¹ International Trade Administration, *Final Determination in the Countervailing Duty Investigations of Phosphate Fertilizers from Morocco*, <https://www.trade.gov/faq/final-determinations-countervailing-duty-investigations-phosphate-fertilizers-morocco-and>. February 9, 2021.

² International Trade Administration, *Preliminary Determination in the Antidumping Duty Investigation of Urea Ammonium Nitrate Solutions from . . . Trinidad and Tobago*, <https://www.trade.gov/faq/preliminary-determinations-antidumping-duty-investigations-urea-ammonium-nitrate-solutions>. January 27, 2022.

³ U.S. Department of Agriculture – Economic Research Service, *U.S. net farm income is forecast to fall in 2022*, <https://www.ers.usda.gov/data-products/chart-gallery/gallery/chart-detail/?chartId=76952>. February 4, 2022.

⁴ Bloomberg News, *China's Curbs on Fertilizer Exports to Worsen Global Price Shock*, <https://www.bloomberg.com/news/articles/2021-10-19/china-s-curbs-on-fertilizer-exports-to-worsen-global-price-shock?sref=q8seIhDd>. October 19, 2021.

⁵ Texas A&M University – Agricultural and Food Policy Center, *Economic Impact of Higher Fertilizer Prices on AFPC's Representative Crop Farms*, <https://www.afpc.tamu.edu/research/publications/files/711/BP-22-01-Fertilizer.pdf>. January 2022.

⁶ American Soybean Association, *Economist's Angle: What's Going on With Fertilizer Prices?*, *Figure 3: Phosphate-Related Price Indices*, <https://soygrowers.com/news/releases/economists-angle-whats-going-on-with-fertilizer-prices/>. September 2, 2021.

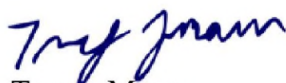
⁷ U.S. Department of Agriculture – Foreign Agricultural Service, *Global Agriculture Trade System*, <https://apps.fas.usda.gov/gats/default.aspx?publish=1>. Accessed on March 3, 2022.

costs for producers.⁸ Since the U.S. Department of Commerce's decision to impose duties on phosphate fertilizer imports from Morocco,⁹ phosphate fertilizer prices have increased 93%.¹⁰

The preliminary determination to impose duties on UAN imports from Trinidad and Tobago should be suspended, as should the collection of cash deposits on these duties. Since the U.S. Department of Commerce initiated the process of imposing duties on UAN imports from Trinidad and Tobago¹¹, import volume of UAN fertilizers have decreased 97%.¹² Because there is a degree of substitution among nitrogen fertilizer, the impact of the tariffs on UAN is felt across all nitrogen products. Recent predictive modeling studies based on various factors like market fundamentals and inflation indicate that ammonia prices should be around \$1,000 per ton.¹³ The actual price, however, has exceeded \$1,500 per ton.¹⁴ At the end of February, all fertilizer prices were near record high levels.

Eliminating these duties on fertilizer imports provides the most immediate opportunity for a near term, partial remedy to the high costs of fertilizer facing U.S. farmers before the end of the 2022 planting season. Currently, in a time of tight global supply and demand for corn, soybeans, wheat, and other commodities, planting decisions are increasingly being made not on market fundamentals but rather on the cost of production driven by the price and supply of fertilizer. Again, we urge you to reconsider the duties placed on phosphate fertilizer products imported from Morocco and suspend the preliminary duties on UAN products from Trinidad and Tobago.

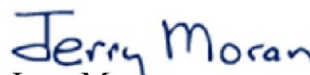
Sincerely,



Tracey Mann
Member of Congress



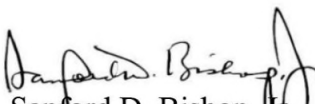
Cindy Axne
Member of Congress



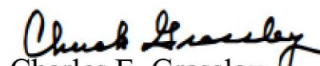
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Fred Upton
Member of Congress



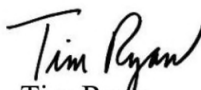
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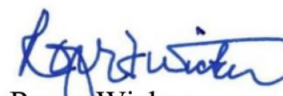
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United States Senator



Sam Graves
Member of Congress



Tim Ryan
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Roger Wicker
United States Senator

⁸ American Farm Bureau Federation, *Too Many to Count: Factors Driving Fertilizer Prices Higher and Higher*, <https://www.fb.org/market-intel/too-many-to-count-factors-driving-fertilizer-prices-higher-and-higher>. December 13, 2021.

⁹ International Trade Administration, *Morocco*.

¹⁰ U.S. Department of Agriculture – Agricultural Marketing Service, *Cost of Production Report GX*, <https://www.ams.usda.gov/market-news>. February 24, 2022.

¹¹ International Trade Administration, *Trinidad and Tobago*.

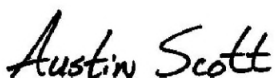
¹² U.S. Department of Agriculture – Foreign Agricultural Service, *Global Agriculture Trade System*.

¹³ Kansas State University – Department of Agricultural Economics, *Fertilizer Prices, A Worst Case Scenario*, https://www.agmanager.info/sites/default/files/pdf/Ibendahl_Fertilizer-WorstCase_02-18-22.pdf. February 17, 2022.

¹⁴ *Id.*



Steven M. Palazzo
Member of Congress



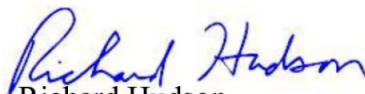
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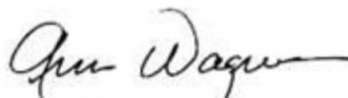
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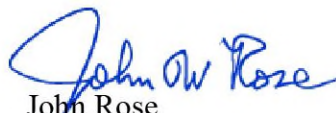

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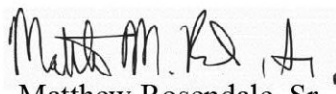

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Katherine Tai, United States Trade Representative

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