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Sent: Monday, January 26, 2026 9:37 AM

Subject: New Research Report Shows Devastating Effect of CVD on U.S. Farmers

Hi all,

As American farmers face the dual pressure of rising input costs and falling crop prices, many are urgently searching for meaningful relief.

One immediate step that could ease this burden would be removing the U.S. countervailing duty (CVD) imposed on Moroccan phosphate fertilizer imports. These fertilizers are critical to U.S. agriculture but have effectively been unavailable to our farmers since the CVD was introduced in 2021.

The Agricultural and Food Policy Center at Texas A&M is out with a [new research report](#) adding further proof that this CVD on Moroccan phosphate fertilizer imports to the U.S. is driving higher U.S. fertilizer costs.

The report highlights how:

- "We find that the CVD increased the price of diammonium phosphate (DAP), a common phosphorus fertilizer, by 28.6% during the period when the CVD was imposed at its full initial level of 19.97%, confirming both the allegations of farm groups and lawmakers and the findings of previous academic research.
- The CVD has increased the cost of phosphorus fertilizers for U.S. producers of a subset of major crops by an estimated \$6.9 billion for the 2021 through 2025 growing seasons."
- "The import barrier created by the CVD was imposed in a precarious market environment for phosphate fertilizers in the United States. U.S. extraction of phosphate rock has been declining for decades, from approximately 45 million metric tons in 1995, to approximately 20 million in 2023, even as use of phosphate fertilizers in the U.S. increased. This has resulted in a growing reliance on imports."
- "[A]t current production and consumption levels, the U.S. falls short of self-sufficiency in phosphate production."

This research report follows [comments from Senate Judiciary Chairman Chuck Grassley](#) (R-IA) in October calling on the administration to remove the CVD on Moroccan phosphate imports to help U.S. farmers.

It also follows a year in which phosphate fertilizer prices spiked near record highs for U.S. farmers, with [multiple](#) major farming associations calling for an end to the CVD.

Please see below for a summary of the Texas A&M report from AgBull.

And please visit www.standwithusfarmers.com for more information on the CVD that has harmed U.S. farmers.

Countervailing Duty on Moroccan Phosphates Drives Billions in Higher U.S. Fertilizer Costs

January 23, 2026

<https://www.agbull.com>

[Texas A&M analysis](#) finds CVD raised DAP prices nearly 30%, adding \$6.9 billion in costs for farmers

A new in-depth analysis from the Agricultural and Food Policy Center (AFPC) at Texas A&M University concludes that the U.S. countervailing duty (CVD) on phosphate fertilizer imports from Morocco has materially increased fertilizer prices and imposed substantial added costs on U.S. farmers over multiple growing seasons.

The report, prepared at the request of Rep. Pat Fallon (R-Texas), examines the impact of the CVD first imposed in March 2021 on Moroccan phosphate fertilizers, a critical input for U.S. crop production. AFPC finds that the duty significantly tightened supply in an already concentrated market and pushed up prices for diammonium phosphate (DAP), one of the most widely used phosphorus fertilizers in U.S. agriculture.

CVD raised DAP prices nearly 30% at peak levels

Using an expanded dataset and updated econometric modeling, the study estimates that when the CVD was imposed at its initial full rate of 19.97%, it increased DAP prices paid by U.S. farmers by 28.6%. That finding closely aligns with, and slightly moderates, earlier academic research that had estimated price increases of roughly 34% shortly after the duty took effect.

The authors note that their analysis improves on prior work by incorporating a longer time horizon through late 2023, accounting for changes in the duty rate over time, and using more appropriate input cost measures—specifically European natural gas prices and sulfur prices, both key components in phosphate fertilizer production. These refinements allow the study to better isolate the impact of the trade duty itself, separate from other global shocks such as the COVID-19 pandemic, China's phosphate export restrictions, and Russia's invasion of Ukraine.

\$6.9 billion in added fertilizer costs, led by corn and soybeans

Based on observed and counterfactual DAP prices, AFPC estimates that the CVD increased phosphorus fertilizer costs for U.S. producers by approximately \$6.9 billion between the 2021 and 2025 growing seasons. Corn and soybeans — by far the largest users of phosphate fertilizers — accounted for the majority of those added costs, followed by wheat, cotton, rice, and sorghum.

The largest annual cost impacts occurred during the 2022/23 and 2023/24 marketing years, when the full CVD rate applied across most of the fertilizer purchasing window. In contrast, estimated costs were lower in years when the duty was temporarily reduced — such as late 2023, when the CVD rate fell to 2.12% — before being raised again to 16.81% in late 2024 following a subsequent administrative review.

Trade action hit a market already facing supply constraints

The report emphasizes that the CVD was imposed at a time when the U.S. phosphate market was already vulnerable. Domestic phosphate rock production has declined for decades, while fertilizer use has increased, leaving the U.S. increasingly reliant on imports. Prior to the duty, Morocco supplied a large share of U.S. phosphate imports, and domestic production is highly concentrated, with a single company accounting for roughly three-quarters of U.S. output.

Although imports from Peru have largely replaced Moroccan supply since the CVD was imposed, the study warns that heavy reliance on a single foreign supplier carries its own risks and does not eliminate the price impacts caused by restricting trade from a major global producer.

Implications for policy and farm input costs

AFPC concludes that the findings confirm the concerns raised by farm groups and lawmakers that the CVD materially increased fertilizer costs for U.S. agriculture. While the report does not make explicit policy recommendations, it underscores the trade-offs inherent in applying countervailing duties to essential farm inputs — particularly in markets with limited domestic competition and few alternative suppliers.

As fertilizer affordability, farm profitability, and trade policy remain central issues heading into future farm bill debates and trade reviews, the analysis adds new quantitative evidence to the ongoing discussion over whether current phosphate trade remedies serve the broader interests of U.S. agriculture.

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