

United States Senate

WASHINGTON, DC 20510

March 1, 2021

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

Dear Chair Kearns,

We write in opposition to the countervailing duty (CVD) petition filed on June 26, 2020 against the import of certain phosphate fertilizers and urge the U.S. International Trade Commission to reject the imposition of duties in its final injury determination (Inv. No. 701-TA-650-651).

U.S. farmers depend on phosphate fertilizers to produce a variety of crops, including corn, soybeans, cotton, wheat, sorghum, sugar beets, and fruits and vegetables. Phosphorous is the second most widely used plant nutrient and accounts for approximately 20 percent of total fertilizer usage for producers. While U.S. farmers value domestic supply, U.S. production is highly concentrated. Multiple sources of phosphate products help to ensure the reliability of supply and to meet the logistical needs of farmer customers around the country. Indeed, up to a third of domestic phosphate fertilizer demand is typically supplied by imports.

U.S. farmers experienced increasingly inadequate supplies of domestically produced phosphate fertilizers during the 2017-2019 period under the Commission's investigation. Shortages of phosphate fertilizers were observed after the 2017 closure of the Plant City, Florida manufacturing facility. Likewise, in late 2019, production was reduced at other Florida facilities and a processing plant in Louisiana was temporarily idled. These planned supply reductions increased the need for imported product during the investigation period.

Further, the current CVD investigation begun in 2020 has resulted in a precipitous drop in imported supply. The combined volume total of diammonium phosphate (DAP) and monoammonium phosphate (MAP) fertilizer imports in 2020 was down 35 percent compared to 2019. Despite this decrease in imports, production from the largest producer in the U.S. was reduced 2 percent for the first three quarters of 2020 compared to the same period in 2019 and reported inventories were also lower. Reduced imports and lower domestic production are adversely impacting inventory rebuilding and have resulted in critically tight supplies. Available and reliable supplies of phosphate fertilizers are essential for narrow seasonal application windows.

The imposition of duties between 9.19 and 47.05 percent on phosphate fertilizers would result not only in higher input costs for U.S. farmers but also potentially limit their options for applying necessary crop inputs. Given the unprecedented volatility experienced in the agricultural economy over the past three years, it is especially important to avoid imposing unnecessary duties that will further limit fertilizer options and raise the cost of production for farmers.

We urge the U.S. International Trade Commission to deny this petition that would impose financial harm on U.S. farmers by further disrupting and restricting the available supply of phosphate fertilizers.

Thank you for your efforts to fairly enforce U.S. trade laws and for your consideration of our views.

Sincerely,



Jerry Moran
United States Senator



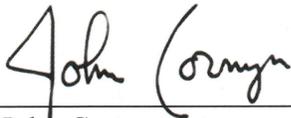
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