

Congress of the United States
Washington, DC 20515

March 2, 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 and 15 percent of total cash costs for producers.

While U.S. farmers value domestic supply, U.S. production is highly concentrated, and our understanding is that supplies are effectively controlled by a single U.S. manufacturer, which presents a risky and insecure situation for our farmers. The Covid pandemic and other emergencies have shown us that multiple sources of phosphate products are necessary to ensure the reliability of supply and to meet the logistical needs of farmers around the country. Indeed, up to a third of domestic phosphate fertilizer demand is typically supplied by imports to provide for a secure supply.

Specifically, our constituents inform us that U.S. farmers experienced increasingly inadequate and unreliable supplies of domestically produced phosphate fertilizers during the 2017-2019 period under the Commission's investigation. Shortages caused by planned supply reductions in U.S. manufacturing increased the need for imported product during the investigation period.

Further, even a precipitous drop in imported supply in 2020 has not resulted in additional domestic supply. Indeed, our understanding is that production from the dominant producer in the U.S. declined for the first three quarters of 2020 compared to the same period in 2019, and that reduced imports and lower domestic production have resulted in critically tight supplies and have made it difficult for farmers to rebuild their inventories. Farmers depend on timely and reliable supplies of phosphate fertilizers for their narrow seasonal application windows.

We are concerned that the imposition of duties sought by the petitioner could result not only in higher input costs for U.S. farmers but also in more limited options for applying treatments necessary for a successful harvest. 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 supply and raise the cost of production for farmers.

We urge the U.S. International Trade Commission to carefully consider arguments made by the parties that the imports under investigation do not harm a domestic industry but instead help supply farmers with phosphate fertilizers necessary for their survival.

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

Sincerely,



Ron Estes
Member of Congress



Tim Ryan
Member of Congress



Jim Banks
Member of Congress



Cynthia Axne
Member of Congress



Michael Guest
Member of Congress



Steve Palazzo
Member of Congress



Jake LaTurner
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