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TIM RYAN
CONGRESS OF THE UNITED STATES
13TH DISTRICT, OHIO
February 18, 2021

COMMITTEE ON APPROPRIATIONS
LEGISLATIVE BRANCH SUBCOMMITTEE
CHAIRMAN

DEFENSE SUBCOMMITTEE
ENERGY AND WATER DEVELOPMENT, AND
RELATED AGENCIES SUBCOMMITTEE

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

Dear Chair Kearns,

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

Due to years of low commodity prices and declining farm income, combined with several years of severe weather events and historic floods, U.S. farmers are increasingly worried about the impact this case will have on production costs. Farmers across the country depend on affordable phosphate fertilizers to produce a variety of crops, and a sharp rise in price would have a dramatic impact during an already volatile time for many U.S. farmers. The Food and Agriculture Policy Research Institute estimates net cash farm income will decrease from \$120.4 billion in 2019 and \$102.2 billion in 2020. The analysis forecasts net cash farm income to fall even further, to \$95.1 billion in 2021. It is especially important during a downturn in the agricultural economy to avoid imposing unnecessary duties that will limit fertilizer supply options and raise the cost on farmers.

Phosphorus accounts for approximately one fifth of fertilizer usage and 15 percent of total cash costs for producers. The imposition of duties between 30.72 and 71.50 percent on phosphate fertilizers, as sought by the petitioner, would result in higher input costs for U.S. farmers. The imposition of a countervailing duties would shut out much of the market for phosphorus fertilizers, making it so Mosaic, a company with 74% of the market share, would be the primary fertilizer supplier. This company alone will be unable to meet the demands of U.S. farmers.

This shift in the market would drive up prices for farmers that are already disadvantaged due to the COVID-19 pandemic. Given financial harm duties on phosphate fertilizers will cause U.S. farmers, we urge the Department of Commerce and U.S. International Trade Commission to deny this petition.

Thank you for your consideration of this important matter.

Sincerely,

A handwritten signature in cursive script that reads "Tim Ryan".

Tim Ryan
Member of Congress