Agriculture groups call for permanently lower duties on Moroccan fertilizer

December 7, 2023 at 11:49 AM

Tweet

More than 50 agriculture organizations are pressing for more predictability in fertilizer supply chains and permanently lower duties on fertilizer imports from Morocco as the Commerce Department and the U.S. International Trade Commission consider further administrative action.

In a <u>Dec. 7 letter</u> to ITC Chair David Johanson, 58 agriculture groups, including the National Corn Growers Association, the American Farm Bureau Federation, the American Soybean Association and the International Fresh Produce Association, urged more stability in supply chains and lasting tariff cuts to shore up fertilizer supply for U.S. farmers and ease recent price volatility.

"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," the letter reads. "Without predictable options to source this product, farmers struggle to plan for the future."

The letter comes as both the ITC and Commerce are revisiting the methods used to determine the injury to U.S. producers and the subsidy rate applied to products from OCP – Morocco's mostly state-owned fertilizer producer and the world's largest exporter of raw phosphate – after the Court of International Trade determined several errors were made in their 2021 calculations. The Commerce redetermination is due later this month, while the ITC's decision is expected in January.

"With impending decisions from Commerce and the ITC, our organizations simply want accurate consideration of the facts and impacts on American farmer," the letter reads, calling farmers the "lifeblood of our food supply."

"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," the letter continues.

In its annual review concluded <u>last month</u>, Commerce slashed countervailing duties applied to phosphate fertilizer imports from Morocco from 19.97 percent to 2.12 percent. But in an <u>op-ed for RealClearPolicy</u>, Harold Wolle, a Minnesota farmer and president of the National Corn Growers Association, argued that the impact of the tariff relief on U.S. fertilizer supply will be muted without some certainty that the duties will remain low.

"That decision was retroactive and largely academic as the company has halted shipping of all but one of its products into the U.S.," Wolle writes. "Essentially, we got the price of these products down, but they are still in Morocco. We now need certainty that these low duties will stick if we hope to bring increased competition back to the phosphate market in the U.S."

"The ability of growers to secure much needed crops hangs in the balance," Wolle argued.

The ag groups have some sympathy among lawmakers. A group of 39 House and Senate lawmakers made the case for lower duties on Moroccan fertilizer in an October letter to Commerce Secretary Gina Raimondo ahead of Commerce's annual review. Florida Reps. Gregory Steube (R) and Vern Buchanan (R), however, have opposed tariff cuts. Notably, Mosaic, the largest U.S. producer of phosphate fertilizer whose petitions to the International Trade Administration triggered the initial CVD investigation in 2020, is headquartered in Tampa. -- Oliver Ward (oward@iwpnews.com)

Related News | Africa and The Middle East | Commerce Department | Congress | Court of International Trade | ITC

Inside U.S. Trade - 12/08/2023 , Vol. 41, No. 49 178582

© 1996-2023. Inside Washington Publishers