

October 19, 2023

The Honorable Gina Raimondo
Secretary
U.S. Department of Commerce
International Trade Administration
Enforcement and Compliance
APO/Dockets Unit Room 18022
1401 Constitution Avenue N.W.
Washington, D.C. 20230

RE: Case No. C-714-001
POR: 11/30/2020 – 12/31/2021
ITA/E&C/Office VII

Via Hand Delivery to Courier Entrance

Dear Secretary Raimondo:

We write in regard to the remand decision ordered by the U.S. Court of International Trade (CIT) for duties on phosphate fertilizer imported from Morocco (Consol. Court No. 21-00116). High costs and limited availability of fertilizer continue to strain family farms across the United States, and we urge you to consider the impact of phosphate duties as the Department of Commerce (Commerce) works to reconsider its duty rate calculation.

America's farmers and ranchers have been saddled with rising input costs, especially over the last three years. Compounding international challenges have resulted in supply chain shortages, disrupted trade routes, and lack of available raw materials which have collectively upended the fertilizer market. With increasingly limited options of fertilizer sources, farmers have struggled to diversify their supply chains, exposing them to risk. For example, triple super phosphate is not available domestically but still faces a duty. Supply chain diversity for fertilizer is crucial to minimize disruptions and mitigate the effects of adverse global events. Duties levied on phosphate imports combined with these other factors have led to substantial price volatility over the past three years as evident by phosphate price increases of over 230% from 2020 to 2022. During 2022, farmers spent \$36.9 billion on fertilizer and lime, compared to \$24.4 billion in 2020. USDA forecasts \$36.4 billion in fertilizer and lime farm costs for 2023, 1% lower than 2022 but higher as a percent of expected crop receipts. The initial USDA forecasts by crop lowered fertilizer costs for 2024, but that outlook could change given the recent increase in fertilizer prices. The pattern of high fertilizer costs is not abating and is unsustainable for farm country.

We understand that the CIT found that Commerce did not adequately consider certain factors in determining production costs. Because Commerce omitted all of the support expenses in determining the production costs, the resulting determination was not an accurate reflection of the costs to the exporter, and therefore appeared to be a much higher benefit when compared to the benchmark price. Further, the CIT found errors in Commerce's calculation of profit rate

which also led to the skewed duty calculations. Because of these issues with Commerce's assessment, we urge proper consideration of all available factors when determining the final duty rate.

As Commerce completes the administrative review and its remand determination, we strongly urge a comprehensive and thorough consideration process because of the ripple effects that will greatly impact agriculture. Farmers and ranchers across the United States are committed to producing crops that meet both domestic and global demands, which require timely access to affordable fertilizer options. Should another input source become obsolete, farmers will be forced to incur unsustainable costs, delays, and limited availability which negatively impact yields. American agriculture must have market access to compete globally, and a major impediment like a fertilizer duty only undermines the ability to establish and expand markets.

We strongly encourage Commerce to consider all appropriate factors as outlined by the CIT when determining the duty rate, and further consider impacts on agriculture when issuing the final determination. We stand ready to provide further information or answer any questions as needed.

Sincerely,

National Corn Growers Association
Agricultural Retailers Association
American Farm Bureau Federation
American Soybean Association
Corn Refiners Association
International Fresh Produce Association
National Association of Wheat Growers
National Cotton Council
National Sorghum Producers
Northwest Horticultural Council
Society of American Florists
U.S. Rice Producers Association

Alabama Soybean and Corn Association
Arkansas Soybean Association
California Association of Winegrape Growers
California Citrus Mutual
Colorado Corn Growers Association
Colorado Sorghum Producers Association
Delta Council
Georgia Corn Growers Association
Georgia-Florida Soybean Association
Illinois Corn Growers Association
Illinois Soybean Association
Indiana Corn Growers Association
Indiana Soybean Alliance

Iowa Corn Growers Association
Iowa Soybean Association
Kansas Corn Growers Association
Kansas Soybean Association
Kentucky Corn Growers Association
Kentucky Soybean Association
Louisiana Cotton and Grain Association
Maryland Grain Producers Association
Michigan Corn Growers Association
Michigan Soybean Association
Mid Atlantic Soybean Association
Minnesota Corn Growers Association
Minnesota Soybean Growers Association
Mississippi Soybean Association
Missouri Corn Growers Association
Missouri Soybean Association
Nebraska Corn Growers Association
Nebraska Soybean Association
New York Corn and Soybean Growers Association
North Carolina Soybean Producers Association
North Dakota Corn Growers Association
North Dakota Soybean Growers Association
Ohio Corn and Wheat Growers
Ohio Soybean Association
Oklahoma Soybean Association
Pennsylvania Corn Growers Association
South Carolina Corn and Soybean Association
South Dakota Soybean Association
Tennessee Corn Growers Association
Tennessee Soybean Association
Texas Citrus Mutual
Texas Corn Producers Association
Texas International Produce Association
Texas Soybean Association
Texas Vegetable Association
Virginia Soybean Association
Wisconsin Corn Growers Association
Wisconsin Soybean Association

CC:

The Honorable Thomas J. Vilsack, Secretary, U.S. Department of Agriculture
The Honorable David S. Johanson, Chairman, U.S. International Trade Commission