

Congress of the United States

Washington, DC 20515

October 24, 2023

The Honorable Gina Raimondo
Secretary
Department of Commerce
1401 Constitution Avenue N.W.
Washington, D.C. 20230
Dear Secretary Raimondo:

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

We write concerning the countervailing duty (CVD) proceeding on Phosphate Fertilizers from Morocco and the recent remand of the Department of Commerce's (Commerce) subsidy calculations in this proceeding (*Mosaic Co. v. United States*, Consol. Court No. 21-00116, Ct. Int'l Trade Sep. 14, 2023). As Commerce considers its response to the U.S. Court of International Trade (CIT), it is also finishing its first administrative review of the Order. We are encouraged by Commerce's preliminary findings in its administrative review, reducing the subsidy rate from 19.97% to 14.49%. We ask that Commerce carefully consider and follow the CIT's decision in Commerce's recalculation of the subsidy amount, both in its final determination in the investigation and its administrative review. Reducing the subsidy rate would provide welcomed relief for U.S. farm suppliers and their customers, American family farms.

Commerce's subsidy rate calculation has a significant effect on U.S. farmers. In 2023, the U.S. demand for phosphate fertilizer is estimated to be 7.4 million metric tons. As the petitioner in the underlying proceeding continues to export production, imports are required to supply 2.7 million metric tons of this amount. Since the imposition of CVD on Moroccan phosphate fertilizers in 2020,¹ the supply options to meet U.S. farmers' phosphate needs have significantly decreased. Saudi Arabia (where the petitioner has invested in production and which is not subject to any Order) has become the only major exporter of phosphate fertilizer to the U.S., accounting for 66% of diammonium phosphate (DAP) imports and 25% of monoammonium phosphate (MAP) imports.

This situation has contributed to the high volatility of fertilizer prices overall, increased costs of a critical nutrient, and exposed farmers to the risk of inadequate supply into the future, given the lack of sufficient domestic supply to meet U.S. farmers' needs.

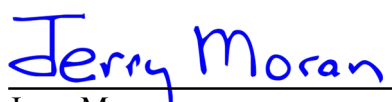
While many factors impact the regional and global prices for phosphate-based fertilizers, the impact of the CVD proceeding on Moroccan exports to the U.S. was felt immediately and continues to provide upward pricing pressure. Since the imposition of the duty, average prices in New Orleans, the central pricing hub for the U.S., have been the highest in the world. This year, U.S. DAP prices were 11% higher than Brazil's and 8% higher than India's. American farmers purchase this key input at elevated prices but sell their crops at global market prices where they compete with major producers such as Brazil. The current CVD Order on Moroccan exports and magnitude places U.S. farmers at a competitive disadvantage. We now understand from the CIT that significant errors in Commerce's initial calculation exacerbated this

¹ Phosphate Fertilizers From the Kingdom of Morocco: Preliminary Affirmative Countervailing Duty Determination, 85 Fed. Reg. 76,522 (Int'l Trade Admin. Nov. 30, 2020).

disadvantage. Accordingly, we urge the Department of Commerce to carefully address the matters determined by the CIT to be in error in the remand determination and in the upcoming final results of the final administrative review.

American family farmers need a reliable, diverse supply of many agricultural inputs, including fertilizers. The administrative review and the response to the CIT remand present opportunities to address this situation and to properly consider the facts as to the amount of subsidies in this proceeding since its inception.

Sincerely,



Jerry Moran
United States Senator



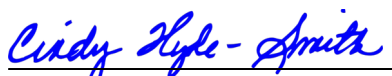
Roger Marshall, M.D.
United States Senator



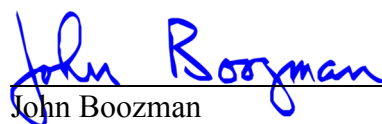
Tracey Mann
Member of Congress



Jim Costa
Member of Congress



Cindy Hyde-Smith
United States Senator



John Boozman
United States Senator



Roger F. Wicker
United States Senator



Deb Fischer
United States Senator



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United State Senator



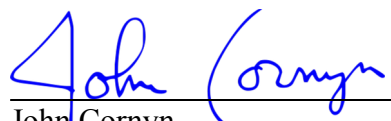
Pete Ricketts
United States Senator



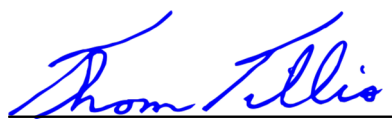
Joni K. Ernst
United States Senator



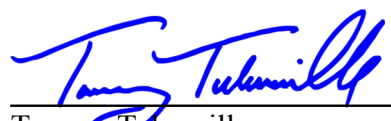
Ted Budd
United States Senator



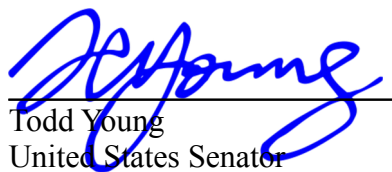
John Cornyn
United States Senator



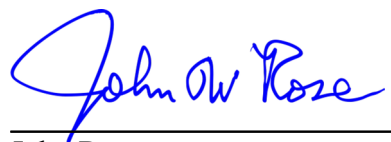
Thom Tillis
United States Senator



Tommy Tuberville
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Todd Young
United States Senator



John Rose
Member of Congress



Jimmy Panetta
Member of Congress



Sam Graves
Member of Congress



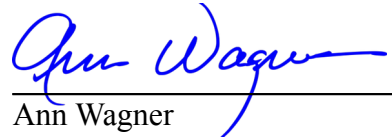
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Member of Congress



Mark Alford
Member of Congress



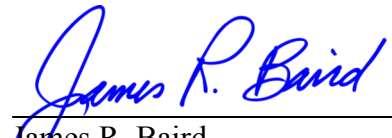
Trent Kelly
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Ann Wagner
Member of Congress



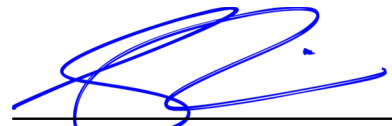
Mike Bost
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Barry Moore
Member of Congress



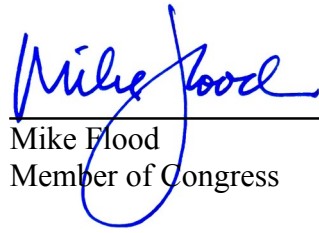
Adrian Smith
Member of Congress



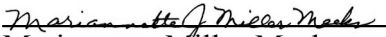
Dusty Johnson
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Mariannette Miller-Meeks,
M.D.
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David Rouzer
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