

# 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,<sup>1</sup> 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

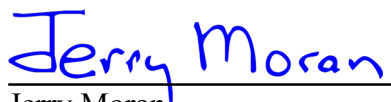
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<sup>1</sup> Phosphate Fertilizers From the Kingdom of Morocco: Preliminary Affirmative Countervailing Duty Determination, 85 Fed. Reg. 76,522 (Int'l Trade Admin. Nov. 30, 2020).

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



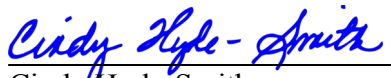
Roger Marshall, M.D.  
United States Senator



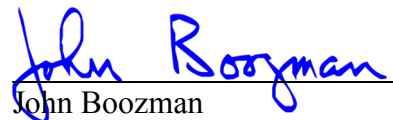
Tracey Mann  
Member of Congress



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



Charles E. Grassley  
United States Senator



Bill Hagerty  
United State Senator



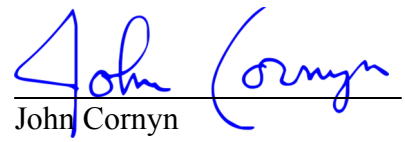
Pete Ricketts  
United States Senator



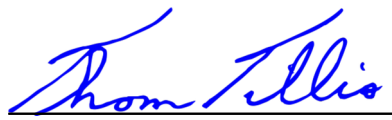
Joni K. Ernst  
United States Senator



Ted Budd  
United States Senator



John Cornyn  
United States Senator



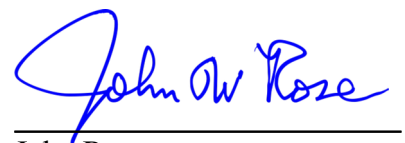
Thom Tillis  
United States Senator



Tommy Tuberville  
United States Senator



Todd Young  
United States Senator



John Rose  
Member of Congress



Jimmy Panetta  
Member of Congress



Sam Graves  
Member of Congress



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David Kustoff  
Member of Congress



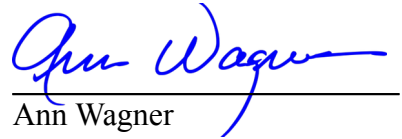
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Mark Alford  
Member of Congress



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Trent Kelly  
Member of Congress



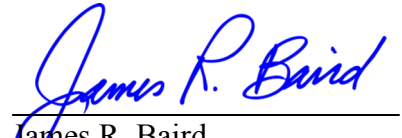
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Ann Wagner  
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Mike Bost  
Member of Congress



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James R. Baird  
Member of Congress



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Michael Guest  
Member of Congress



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Sharice L. Davids  
Member of Congress



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Mike Ezell  
Member of Congress



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Barry Moore  
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Adrian Smith  
Member of Congress



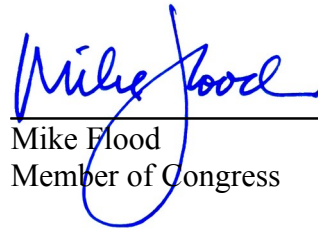
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Dusty Johnson  
Member of Congress



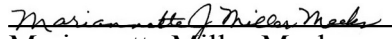
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Jake LaTurner  
Member of Congress



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Mike Flood  
Member of Congress



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Mariannette Miller-Meeks,  
M.D.  
Member of Congress



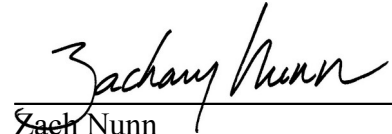
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David Rouzer  
Member of Congress



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Greg Pence  
Member of Congress



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Zach Nunn  
Member of Congress



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Julia Letlow, Ph.D.  
Member of Congress