

United States Senate

WASHINGTON, DC 20510-0609

May 31, 2022

The Honorable Katherine Tai
United States Trade Representative
600 17th St. NW
Washington, DC 20006

Dear Ambassador Tai,

We write today to urge you to develop and begin executing a strategic plan for the long-term stability of fertilizer trade for our farmers and ranchers. Vladimir Putin's war in Ukraine is sparking concerns over famine in Africa and the Middle East. Societies dependent on agriculture are keenly aware of the threat of food insecurity. Big agrarian nations like Brazil are already acting to re-draw global trade routes, especially regarding fertilizer, to ensure the productivity of their nation and address the needs of a starving world. We must do the same.

While some believe that current trade alliances will indefinitely meet U.S. fertilizer needs, recent events have underscored the need to explore alternative suppliers. Several major global producers of different crop nutrients – China, Russia, and Belarus – have proven to be unreliable trading partners. China leads global production of processed phosphates at 41%, while Russia and Belarus control roughly 36% of global potash production.

While the United States is also a major producer of nitrogen and phosphate, our farmers also rely on imports to fully meet demand, including reliance on Canada for potash. Other countries will likely look to Canada as the leading producer of potash. Additionally, Morocco is the second largest producer of processed phosphates, accounting for 15% of global production. The U.S. International Trade Commission has imposed duties on imports of Moroccan phosphate, resulting in exports from the country supplying markets other than our own. Currently, 36% of the global tradable supply of phosphate fertilizers is not subject to U.S. duties. Further, the U.S. is in the process of imposing additional duties on urea ammonium nitrate (UAN) from long-time supplier Trinidad and Tobago.

To believe these problems are only short-term is short-sighted. Even if the war in Ukraine would end tomorrow, our relations with Russia will take decades to heal and may never be the same. China and India are positioning themselves to capture crop nutrient trade from Russia, which will leave a supply gap for western agriculture. Western countries with fertilizer supply problems will be competing for fertilizer from "friendly" countries. We cannot be left scrambling in 2023 and beyond to find crop nutrients, we need to begin working today to solve this inevitable challenge.

We believe enhancing our fertilizer trading relationship with Canada should be a priority of the administration. USTR should also consider negotiations to eliminate the cross-border vaccine mandate between the U.S. and Canada which is hindering the movement of goods. Second, we believe USTR should engage with China to reduce or eliminate their fertilizer export restrictions,


which decrease the supply of phosphates on the global market, driving prices up. Finally, we strongly encourage you to use the tools at the administration's disposal to eliminate barriers to the importation of crop nutrients, and to negotiate to ensure fertilizer supplies are abundant and affordable here in the U.S.

Thank you for your attention to the serious issue. Our offices stand ready to assist you in developing and executing a strategic plan for securing fertilizer long term.

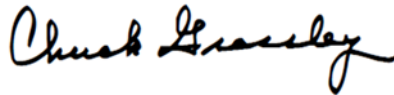
Sincerely,



Roger Marshall, M.D.
United States Senator



Joni Ernst
United States Senator



Chuck Grassley
United States Senator



Deb Fischer
United States Senator

Cc:

The Honorable Gina Raimondo, The Honorable Tom Vilsack, The Honorable Cecilia Rouse,
The Honorable Jason Kearns.