

June 23, 2022

The Honorable Lisa R. Barton  
Secretary to the Commission  
U.S. International Trade Commission  
500 E Street, SW-Room 112A  
Washington, DC 20436

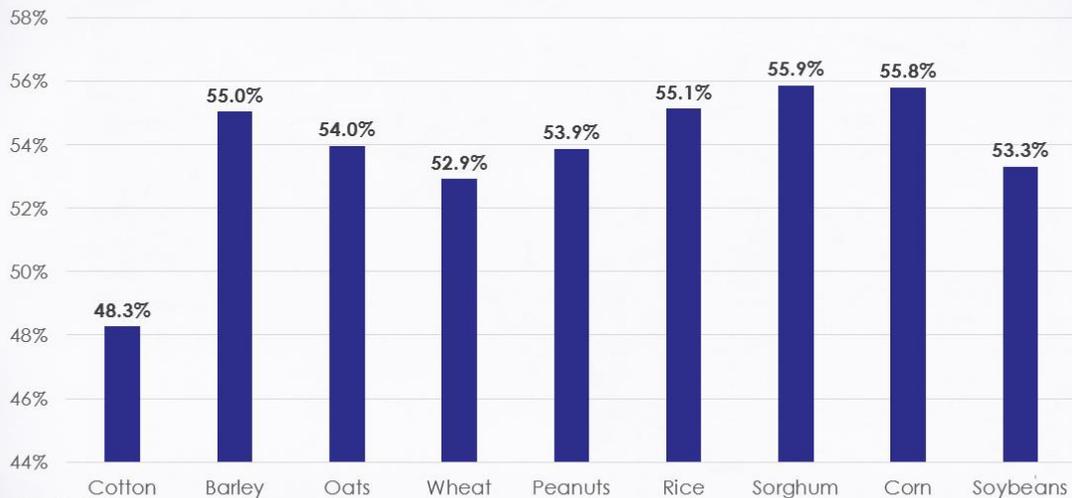
Investigation Nos. **701-TA-668-669 and 731-TA-1565-1566 (Final)**

Urea Ammonium Nitrate Solutions from Russia and Trinidad and Tobago.

These comments from the American Farm Bureau Federation, a general farm organization, explain the urgent interest of America's farmers and ranchers in maintaining access to a reliable and cost-effective supply of Urea Ammonium Nitrate (UAN) fertilizer.

As American agricultural production grows to meet new market opportunities both domestically and internationally, necessary inputs to produce those crops must grow as well. A key production factor is the availability of UAN fertilizer at a competitive price. Over the last several years fertilizer prices have risen considerably for all U.S. major field crops. USDA ERS is projecting that fertilizer prices will fall 4% in 2023 compared to 2022, but that follows a 62% increase in 2022 over 2021. On net, the this would mean that between 2017 and 2023, fertilizer prices for every major field crop in the U.S. will have increased by approximately 50%. And yet, this sizable increase does not consider the tariffs on UAN. Over the named period fertilizer prices will have increased by 48.3% for cotton, 55.0% for barley, 54.0% for oats, 52.9% for wheat, 53.9% for peanuts, 55.1% for rice, 55.9% for sorghum, 55.8% for corn, and 53.3% for soybeans. Rising input costs make it difficult for farmers to remain competitive in global markets.

### Percentage Increase in Fertilizer Cost Per Acre for U.S. Major Field Crops, 2019-2023F

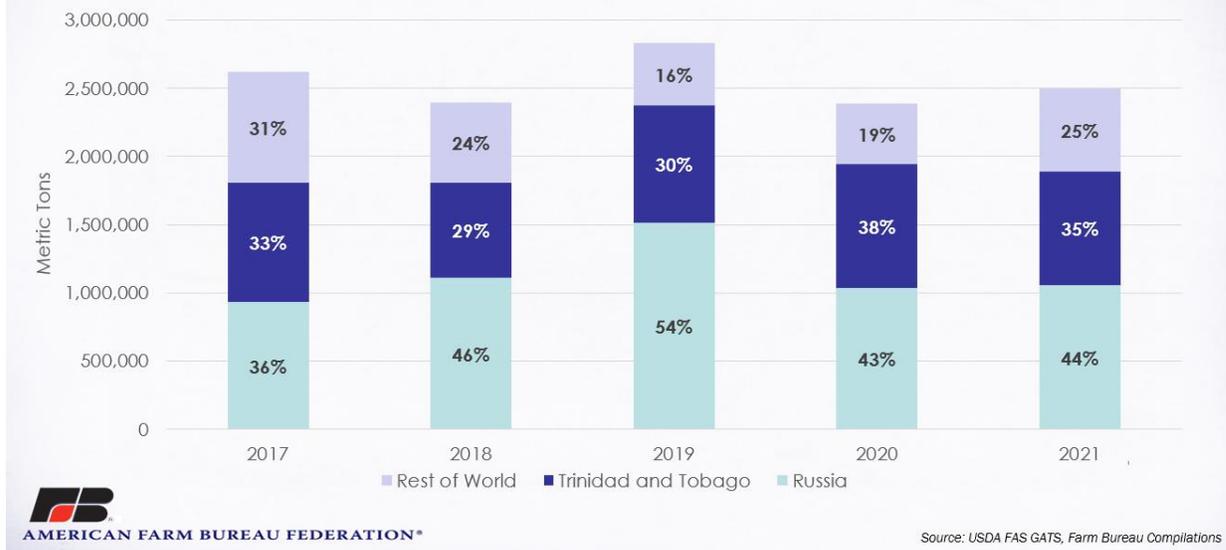


 AMERICAN FARM BUREAU FEDERATION\*

Source: USDA ERS Commodity Costs and Returns, Farm Bureau Calculations

The U.S. currently produces UAN fertilizer and imports this fertilizer from several countries, including Russia and Trinidad and Tobago. Russia and Trinidad and Tobago combined account for approximately 79% of imports. The Department of Commerce found that UAN fertilizer imports are dumped into the U.S. market at rates ranging from 9 percent to 127 percent for Russia and 63 percent for Trinidad and Tobago. Preliminary duties that have been applied based on these rates of dumping, and countervailing duties, add to the production costs for many important agricultural commodities. If these duties are finally imposed, production costs to farmers across the country for corn, soybeans, cotton, wheat, and other crops will increase for the next planting season and beyond. For example, fertilizer costs are projected to account for approximately 44% and 42% of operating costs for corn and wheat grown in the U.S. in 2023, respectively. Since Urea Ammonium Nitrate Solutions N accounts for 43% of nitrogen fertilizer usage, and nitrogen accounts for 59% of total fertilizer use, that means about 25% of operating costs can be attributed to UAN solutions. Certainly, a significant increase in UAN solution costs would be felt in farmers' bottom line.

## Urea-Ammonium Imports from Russia, Trinidad and Tobago and Rest of World by Volume and Relative Market Share



The ongoing conflict between Ukraine and Russia has disrupted fertilizer shipments from Russia into world markets, leading to upward pressure on prices.

America's farmers are increasingly concerned about their access to an affordable, competitive supply of this crucial fertilizer. As UAN fertilizer is a primary nutrient for plant growth for a broad range of crops grown by America's farmers, price increases due to the application of import duties will soon impact their planting decisions.

Imports are an important part of the UAN supply to farmers. The application of the duties requested by the petitioner, potentially in effect for five years with the possibility of extension, will result in a constricted supply and an imposed higher price for users.

In this time of long-term economic stress on U.S. agriculture, production costs are of increased importance to the near- and long-term viability of U.S. farms. Farm Bureau policy is opposed to placing tariffs on fertilizer imports.

From experience, America's farmers know that imposing the requested anti-dumping and countervailing duties on UAN fertilizer imports will add to agricultural production costs.

Sincerely,

Sam Kieffer  
Vice President, Public Affairs