

Congress of the United States

House of Representatives

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Thank you, Chairman Kearns, and every member of the Commission, for the opportunity to testify before you today. The rising cost of inputs on our farmers is a critical matter and I deeply respect the role that the ITC plays to ensure products are entering the United States at fair prices for our consumers.

My district covers the northwest region of Iowa, an area that is rich in farmland and manufacturing. By the numbers, my district is the largest producer of crops and hogs, the sixth largest producer of cattle, and the second largest congressional district in terms of market value of Agricultural Products Sold. All this said, I spend a lot of time speaking to the hardworking, dedicated people who feed our country and the world. Inflation and the rising cost of inputs have impacted every sector of the agricultural economy, and I have had the opportunity to listen to manufacturers, producers, and farmers about how this has affected them.

The economic forces on the ground have changed dramatically since the duties on phosphate fertilizer products imported from Morocco have been instituted and the duties on urea ammonium nitrate fertilizer from Trinidad and Tobago have been considered. Fertilizer prices have hit all-time highs, as prices of UAN rose nearly three-fold over the course of 2021 and further in 2022. Given the unprecedented volatility for farmers and ranchers over the last several years, it is crucial that the United States avoid imposing unnecessary costs that could further limit the fertilizer supply and cause food supply shortages. Soaring fertilizer prices have caused increased stress and uncertainty for American farmers and are impacting farmers' ability to plant crops and ensure food security. The most concerning message that I have heard from farmers in my district, is that they are considering holding off on fertilizing their crops for the next season.

I have real concerns about the long-term impacts of those decisions. Not only for our crop yield but also for our domestic production of fertilizer. The most recent Consumer Price Index report shows general inflation up 8.6% over last year with dairy up 2.9 percent, meats and eggs up 1.1 percent, and fruits and vegetables climbing .6 percent. Hardly anyone, farmers included, can afford further inflationary pressures on commodity prices at this time. Many of the crops that use UAN are staples of the economy. UAN is found in many daily food items, feed grains, and textiles. We are seeing shortages of needed items breaking out across the globe and here at home, causing real crises.

These global conditions have dramatically changed since this process began, making the 2019 to 2021 market data you examined in reviewing this case, describe a different environment to the world than farmers are living in today. Russia's invasion of Ukraine has fundamentally altered the market for UAN. While I trust your rules and regulations regarding the backward review to evaluate the economic harm caused by bad actors, I would ask for the Commission to consider how that data deviates from the current reality and foreseeable future in these economic times.

Imported fertilizer provides a large portion of coverage for our crops and this volatility has farmers very concerned.

The Commission may be aware that I joined 86 of my House and Senate colleagues in a letter urging you to reconsider the duties placed on phosphate fertilizer products imported from Morocco and suspend the current process to impose new duties on urea ammonium nitrate fertilizer from Trinidad and Tobago. That letter makes a clear case surrounding the impacts that these duties will have on farmers. However, in the past three months, costs have already escalated, and supply issues are beyond what the letter described. Congress has various tools that it may utilize to help lower costs in the medium and long term, and I continue to work with my colleagues to offer these solutions. However, costs are quickly rising now.

Fair practices for free trade are pivotal for the free market to work. I would not expect our great manufacturers in the United States to compete directly against foreign governments who put their thumbs on the scale of their industries. With that said, the options for farmers have dwindled. In my view, it has never been more important to consider the economic realities surrounding supply, demand, inflation, and global events to inform the impacts of imports from exporting countries on the domestic market. There may be a risk that the current cure is worse than the disease. I believe the Commission should consider providing **temporary duty relief** on fertilizer imports to provide the most immediate opportunity for a near term, partial remedy to the high costs of fertilizer facing U.S. farmers before the end of the 2022 planting season.