

1 Whereas, Fertilizer prices in the United States have
2 dramatically increased over the past decade. While the increase in
3 prices can be attributed to several factors, such as strong demand
4 for fertilizer and rising costs of raw materials, the recent
5 decision by the United States Department of Commerce to impose
6 tariffs on imports of phosphate-based fertilizers from Morocco and
7 other countries has significantly increased fertilizer prices.
8 These tariffs were implemented in 2021 after the U.S. International
9 Trade Commission (ITC) determined that the import of foreign
10 phosphatic fertilizers injured U.S. manufacturers; and

11 Whereas, These tariffs place a substantial burden on farmers
12 who are unable to compete with rising costs of production.
13 Additionally, due to the highly consolidated structure of the U.S.
14 fertilizer manufacturer industry, many farmers have little
15 bargaining power with suppliers. For example, one company controls
16 an estimated 90 percent of the U.S. phosphate fertilizer production
17 while another controls nearly half of U.S. urea fertilizer
18 production. This highly concentrated structure has resulted in
19 local input dealers having very little bargaining power with the
20 manufacturers, and cost increases are inevitably passed on to
21 farmers; and

22 Whereas, Michigan farmers are facing the greatest increase in
23 fertilizer prices in 13 years. Without access to fertilizer,
24 Michigan's agricultural production will fall, and the state's
25 economy will suffer. Not only will farmers be directly impacted,
26 but the broader supply chain will also suffer; now, therefore, be
27 it

28 Resolved by the House of Representatives, That we urge the
29 U.S. Congress, federal agencies, and state departments to address

1 the ongoing fertilizer price increases and shortages that are
2 impacting Michigan farmers; and be it further

3 Resolved, That copies of this resolution be transmitted to the
4 President of the United States Senate, the Speaker of the United
5 States House of Representatives, the members of the Michigan
6 congressional delegation, the U.S. Secretary of Commerce, the U.S.
7 Secretary of Agriculture, the commissioners of the U.S.
8 International Trade Commission, and the Director of the Michigan
9 Department of Agriculture and Rural Development.