

Phosphate imports ‘materially injured’ U.S. producers, trade regulators say

By **MATEUSZ PERKOWSKI**
Capital Press

Phosphate fertilizers from Morocco and Russia have “materially injured” U.S. manufacturers, justifying tariffs on government-subsidized imports from those countries, according to trade regulators.

The U.S. International Trade Commission’s material injury determination, affirmed by a 4-1 vote on March 11, means that countervailing duties of about 20% will be imposed on Moroccan phosphate, while Russian producers will face duties of 9-47%, depending on the company.

Several U.S. farm organizations urged the ITC and the Department of Commerce — which investigated subsidy levels — not to impose tariffs on phosphate imports because it would raise prices on fertilizers needed by growers.

“If these duties are imposed, production costs to farmers across the country for corn, soybeans, cotton, wheat and other crops will increase for the next planting season,” the American Farm Bureau Federation said in written testimony.

Before the tariffs could even be implemented, however, manufacturers from Russia and Morocco drastically pulled back on phosphate exports to the U.S., according to ITC’s trade data.

Imports from Morocco,



Capital Press File

Phosphate ore is processed at an Idaho mine. U.S. trade regulators have determined that imports of phosphate fertilizer hurt domestic manufacturers, justifying tariffs on shipments from Morocco and Russia.

the largest phosphate shipper, dropped by half, from roughly 2 million metric tons in 2019 to about 1 million metric tons in 2020. Similarly, Russian imports decreased from about 843,000 metric tons to 422,000 metric tons.

Imports from both countries have also continued to fall during early 2021 compared to last year.

The Mosaic Co., a domestic fertilizer producer that urged trade regulators to investigate imports from Morocco and Russia, believes it’s in the best interest of the U.S. agriculture industry to have robust domestic production of the key crop nutrient.

If domestic supplies were jeopardized, farmers would be at the mercy of foreign

manufacturers who could then raise prices, said Ben Pratt, Mosaic’s senior vice president of government and public affairs.

“We’re not in this to get any special treatment, we just want to compete on a level playing field,” he said.

Pratt said that Moroccan and Russian manufacturers stopped exporting phosphate to “make a point” about the impact on domestic prices, causing U.S. phosphate prices to temporarily rise above global benchmarks for the fertilizer.

However, domestic phosphate prices have since fallen back in line with the norm as markets had time to “shake out,” with Mexico, Egypt and Australia shipping more of the fertilizer into the U.S. while Morocco

and Russia have continued adding to global supplies, he said.

“They didn’t stop producing phosphates, they just started shipping them elsewhere,” Pratt said.

Morocco subsidizes phosphate production by offering artificially cheap mining rights, inexpensive loans and tax incentives, while Russia provides manufacturers with natural gas at “distorted” prices intended to spur economic development, according to the Department of Commerce.

The OCP Group, Morocco’s major phosphate producer, argued that it stepped up exports of the fertilizer in reaction to U.S. market forces, such as distributors wanting to hedge against supply disruptions.

“We further understood that at the time, the domestic industry had been consolidating down to only a few producers, creating a need for diversification of supply sources,” the company said in written testimony.

PhosAgro, a major Russian producer, also argued that Mosaic misrepresented the global industry’s market dynamics and didn’t accurately account for the volatility in phosphate prices.

“The price comparison provided by the Petitioner fails to compare prices in the U.S. and prices of other imports with prices of Russian imports on an apples-to-apples basis,” the company said.



Courtesy of Howard Neibling

Pivot irrigation will be installed in three fields using Oregon Watershed Enhancement Board grants, which cover a portion of the cost.

Grants will help ag-related projects in Malheur watershed

By **BRAD CARLSON**
Capital Press

The Oregon Watershed Enhancement Board has awarded five grants supporting agriculture-related projects in the Malheur River Basin.

Malheur Watershed Council Executive Director Ken Diebel said three grants involve converting fields from flood to sprinkler irrigation, one will protect wet-meadow habitat for sage grouse and one will support stream-bank restoration planning. Improving irrigation systems has been a priority of the council since it formed 25 years ago, he said.

“It’s an important issue for water quality and for stream enhancement, and it’s also important for the economics of farming these days,” Diebel said. Converting from flood to pivot-sprinkler irrigation increases water efficiency while decreasing runoff and nutrient and bacteria loads.

The irrigation-related grants are:

- About \$190,000 for a project near Harper, on the main stem of the Malheur River.
- \$109,000 for work at Jacobsen Gulch north of Ontario.
- \$67,000 for a project next to Malheur tributary Bully Creek near Vale, he said.

The amounts do not include the landowners’ contributions. Diebel said the grants cover one-third to one-half of a project’s total cost; the landowner pays the rest.

The grant for the wet-

meadow project is about \$32,000, not including the landowner contribution. The project is planned in the Westfall area, near the headwaters of a branch of Indian Creek. It aims to benefit sage grouse habitat and provide a more consistent water supply for livestock.

“The landowner is going to fence the meadow off to keep the cows away,” Diebel said. “In exchange, since the meadow is a source of water for livestock, we are going to put in a spring development.”

That part of the project involves capturing some water near the meadow’s upper end and piping it to troughs in lower, drier spots cattle can occupy.

A separate \$43,000 technical-assistance grant will be used to hire an engineer to work with the council in developing a project that aims to stop bank erosion on part of the Malheur River near Harper. The landowner will contribute money and work.

River flow is damaging banks and eroding the landowner’s hay fields.

“We also want to do this in a way that benefits water quality, the stream and the environment,” Diebel said.

He said the winter of 2016-17 produced extraordinarily high runoff “and motivated a lot of people to do something about bank-stabilization and bank-erosion problems to prevent damage to the farming infrastructure, but in a way that benefits the stream — water quality and stream habitat.”

Stakeholders send letter opposing Simpson dam plan to NW political leaders

By **MATTHEW WEAVER**
Capital Press

A coalition of 45 stakeholders has sent a letter to Northwest lawmakers voicing their opposition to Idaho Rep. Mike Simpson’s \$33.5 billion proposal to remove four dams on the Lower Snake River.

The proposal, which is aimed at helping the salmon population recover, includes a 35-year moratorium on dam litigation, among other actions.

Simpson announced the proposal in February but has not introduced legislation.

“It is a speculative and costly plan that assumes we must choose between productive, fish-friendly federal projects and our Northwest salmon and steelhead runs,” the March 23 letter states. “We believe this is a false choice, and ignores the broad commitment to salmon recovery that must be region-wide and sustained for generations.”

“Congress typically doesn’t dedicate billions of taxpayer dollars without knowing exactly how it will be allocated first,” Washington Grain Commission CEO Glen Squires told the Capital Press. “His concept proposal is so broad in scope that dozens of congressional committees and



Associated Press File

The Ice Harbor Dam on the Snake River. A coalition of stakeholders has sent a letter to the region’s political leaders opposing a plan to remove it and three other dams.

executive branch agencies probably have jurisdiction over parts of it.”

Many Pacific Northwest members of Congress are also opposed to the plan, Squires said.

“Those supporting removal have been seeking removal of the four specific dams for decades, so nothing really new there,” he said.

Ag groups will continue to voice their concerns about removal of the dams and cite their role in agriculture, irrigation and movement of goods, Squires said.

Dam removal would have impacts on the environment, hydropower and increase freight rates for wheat. Squires points to the added road damage costs and effect on timely delivery of other freight and services.

“Removal is not a silver bullet to salmon recovery for Snake River salmon,” Squires said. “There is more to it than four lower Snake River dams.”

Squires and other stakeholders point to ideas and actions identified in NOAA Fisheries’ salmon recovery plan.

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