

August 28, 2009

Ronald K. Lorentzen, Deputy Assistant Secretary for Policy and Negotiations
United States Department of Commerce
International Trade Administration/ Import Administration
1401 Constitution Ave. NW
Washington, DC 20230

Subject: Solid Ammonium Nitrate from Russia

Dear Mr. Lorentzen:

On behalf of the U.S. agriculture industry, we are writing in support of advancing the negotiation process on Suspension Agreement on solid ammonium nitrate from the Russian Federation ("Suspension Agreement"), effective May 19, 2000.

Solid ammonium nitrate's chemical properties make this fertilizer one of the most essential in agriculture. Unfortunately, over the last four years many domestic manufacturers and distributors have ceased production and sales of ammonium nitrate due to liability and safety reasons, including those for transportation, transshipment, and storage and registration requirements for ammonium nitrate transactions. As a result, there are now only two domestic manufacturers making this fertilizer product.

The lack of price competitive ammonium nitrate imports adversely impacts American agricultural operations. U.S. ammonium nitrate demand has fallen to the level of domestic production because of the large price discrepancy between domestic and imported ammonium nitrate. As a result, in periods of high ammonium nitrate demand in the U.S., American agricultural retailers, distributors and farmers must pay a higher price for the product.

While American agricultural retailers, distributors and farmers are often forced to buy other nitrogen fertilizers at a higher price and are left to deal with the risk of wild unprecedented swings in fertilizer prices, the Suspension Agreement remains in force.

Since there are few ammonium nitrate production capacities outside the United States, it is important that additional supply options are available for American farmers. Given the changing dynamics in the U.S. marketplace, the current restrictions on imports of Russian ammonium nitrate fertilizer no longer make sense. There is a limited ammonium nitrate supply and volatile prices for the product. It is counterproductive to restrict the nation's farmers and ranchers access to this imported plant nutrient product and, in the process, to block their opportunity to purchase more affordably-priced fertilizer products.

Reasonably priced solid ammonium nitrate from Russia to the United States is necessary to meet current demand. Russia is one of the world's largest producers of ammonium nitrate fertilizer, and Russia has the potential to aid in alleviating ammonium nitrate supply problems in order to make this fertilizer product more affordable for American agricultural retailers, distributors, and farmers.

We believe that the remaining trade restrictions on ammonium nitrate from Russia do not reflect today's international fertilizer trade market dynamics. Existing import barriers on Russian ammonium nitrate need to be repealed to ensure America's farmers are able to continue to meet the nation's food, feed, fiber and energy needs.

Sincerely,

Agricultural Retailers Association

Northwest Horticultural Council

National Wheat Growers Association