

# HOUSE RESOLUTION NO. 205

Rep. Carra offered the following resolution:

1           A resolution urging the U.S. Congress, federal agencies, and  
2 state departments to address the ongoing fertilizer price increases  
3 and shortages that are impacting Michigan farmers.

4           Whereas, Michigan's agricultural industry is vitally important  
5 to the state economy. As our nation's second most diverse  
6 agricultural system, it contributes more than \$104.7 billion in  
7 economic activity annually to the state. More than 800,000 people  
8 work in Michigan's agricultural industry, and care for nearly 10  
9 million acres of land; and

10           Whereas, Fertilizer is a critical agricultural input that is  
11 utilized by farmers to provide nutrients to their land and maximize  
12 the productivity of their farms. It is essential that Michigan's  
13 farmers have access to fertilizers so they can nourish their land

1 and maintain production levels; and

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

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

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

29       Resolved by the House of Representatives, That we urge the

1 U.S. Congress, federal agencies, and state departments to address  
2 the ongoing fertilizer price increases and shortages that are  
3 impacting Michigan farmers; and be it further

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