

November 4, 2021

TRANSMITTED ELECTRONICALLY

Andrea Gacki, Director  
Office of Foreign Assets Control  
U.S. Department of the Treasury  
Treasury Annex / Freedman's Bank Building  
1500 Pennsylvania Avenue, NW  
Washington, DC 20220

Dear Director Gacki,

The below organizations write in support of the limited license application filed by Gavilon Fertilizer, LLC ("Gavilon") on October 1, 2021, reference number [BELARUS-EO14038-2021-873680-1](#) for an extension of the wind-down period set forth in General License 4 ("GL4") for agricultural potash imported from Belaruskali OAO ("Belaruskali"), which is currently set to end on December 7, 2021. While we support efforts to hold the Belarussian Government accountable for violations of international norms, the current sanctions restrictions as applied to agricultural potash are harming farmers and affording a competitive advantage to farmers in the United Kingdom (UK) and European Union (EU), who continue to import agricultural potash from Belaruskali. We believe allowing Gavilon to import potash through May 15, 2022, will contribute to stabilizing fertilizer supply and pricing.

Potash is a critical input for our farmers which helps plants retain water and withstand environmental stress. It is a critical nutrient in the growth-cycle of several crops – from row crops like corn and soybeans to fruits like apples and blueberries. In fact, 63% of U.S. corn acres, 48% of cotton acres, 44% of soybean acres, and 19% of wheat acres use potash. U.S. farmers are heavily dependent on imported potash and Belaruskali produces 20% of the world's supply.

Sanctions covering agricultural potash from Belaruskali have had an immediate impact on our grower members, despite the current availability of GL4. Following the announcement that agricultural potash imports would be impacted by the sanctions on Belaruskali, potash prices increased by 13% from the previous month, and are up 56% year-over-year.

The impact of sanctions on agricultural potash must be viewed cumulatively alongside other trade actions that are increasing fertilizer prices for producers. In fact, all three core plant nutrients – nitrogen, phosphate, and (now) potassium – have seen record-breaking increases in price driven by trade issues (e.g., sanctions or trade remedies). Urea ammonium nitrate ("UAN") prices have increased 60% since last year, while certain grades of phosphate fertilizers have seen prices increase of more than 75%.

In addition, the sanctions on imports of agricultural potash may soon create supply chain shortages. American farmers need a diversity of supply and Belarus is one of the world's largest potash producers. Wildfires, heavy snows, and rail strikes in some years have severely limited the availability of potash from Canada (the current largest supplier to U.S. farmers) – causing Belaruskali to serve as a supplier of next resort. Indeed, the damage caused by Hurricane Ida has delayed shipments of potash.

The UK and EU both excluded the main grade of agricultural potash from their sanctions, allowing such products to continue to fertilize the food that drives European exports. The U.S. agricultural community is simply asking for the same consideration given to our biggest competitors.

Due to the impact on American farmers, and to avoid placing our farmers at a competitive disadvantage vis-a-vis the UK and EU, we ask that you grant Gavilon's limited license application.

Our organizations welcome the opportunity to meet or provide additional information regarding this challenge impacting U.S. agriculture. We appreciate your consideration of our views. For scheduling purposes please contact Angus Kelly at [kelly@ncga.com](mailto:kelly@ncga.com).

Sincerely,

Agricultural Retailers Association  
American Farm Bureau Federation  
American Soybean Association  
National Association of Wheat Growers  
National Corn Growers Association