

December 10, 2010

The Honorable Stuart A. Levey  
Under Secretary for Terrorism and Financial Intelligence  
ATTN: Office of Foreign Assets Control Licensing Department  
U.S. Department of the Treasury  
1500 Pennsylvania Avenue, NW  
Washington, D.C. 20220

RE: Imports of Fertilizer by Belarus Potash Corporation (BPC) and or their clients.

Dear Under Secretary Levey:

The Agricultural Retailers Association (ARA) represents America's retail dealers who sell and service the agronomic needs for America's farmers; this includes crop protection materials, fertilizer, seed, application services, and consulting advice. ARA is the only national organization representing the interests of crop input manufactures, distributors, and retailers with America's farmers. ARA's membership includes 6,500 retail outlets, located throughout all fifty states, which distribute over 70 percent of US crop inputs.

ARA's leadership understands fertilizer availability and prices are experiencing significant fluctuations from historic levels when most fertilizer production for domestic consumption was US produced; but natural gas prices, government regulation, and other circumstances now make US agriculture imports over half of domestic fertilizer needs. This situation puts the US farmer in a less than competitive price position and also puts the farmer at risk for fertilizer supplies due to world markets conditions and distribution lead times. The U.S. farmer leads the world in agricultural productivity and U.S. agricultural exports are crucial in feeding the growing world population and helping with the balance of trade. These positions however are becoming more difficult and constrained due to a variety of factors including antiquated government regulations limiting fertilizer imports from certain countries.

Not only has domestic fertilizer production decreased dramatically but American consumption of worldwide fertilizer supplies has also dropped from 17% of the total world production in 1990 to about 12% currently. This has occurred at a time when U.S. agriculture production is at record levels in acreage and yields; this dramatic change is the net result of worldwide food demand. Other countries are growing faster in fertilizer consumption than the U.S. exacerbating an already challenging fertilizer distribution problem. Due to increasing fertilizer demand and the likely hood of this trend continuing and the fact that fertilizer production and distribution has become concentrated in a very few companies the outlook is dim for U.S. agriculture. If the fertilizer production, supply,

and distribution problems continue, U.S agricultural production and exports will be at significant risks.

The U.S. is already at its highest level of specialty food imports, adding the imported fertilizer situation to the mix could even put the American consumer at risk. The U.S. must support domestic farmers and agricultural supply businesses in order to ensure a safe and abundant food supply and appropriate U.S. food security.

Agriculture retailers need access to new products and technologies; fertilizers are critical in this chain keeping America's farmers competitive and profitable in changing world markets. ARA believes the continued availability of fertilizer products is important in protecting our agricultural industry.

Outdated trade rules that restrict the ability of the American farmer to acquire crop production tools such as fertilizer need to be reviewed and adjusted for present realities. Restrictive government import rules, less domestic fertilizer production, higher fertilizer prices, and limited U.S. fertilizer inventories, lead to reduced U.S. farm production, higher prices for domestic producers and reduced exports, and ultimately higher food and fiber prices for American consumers. ARA urges the Department of the Treasury to review the Belarusian Potash Company, thru the BPC Chicago, LLC subsidiary as a reliable supplier whose products are needed here, now.

Thank you for your consideration and review of this challenging problem. Feel free to contact me with any questions.

Sincerely,