

USDA ANNOUNCEMENT

USDA
On Behalf of the Farm Service Agency

1400 Independence Ave., SW
Washington, DC 2025

EXTRA LONG STAPLE (ELS) COTTON ANNOUNCEMENT

March 19, 2020

Kent Lanclos
202-720-0114
Kent.Lanclos@usda.gov

Sherrie Grimm
202-401-0062
Sherrie.Grimm@usda.gov

The Department of Agriculture's Commodity Credit Corporation announced the competitiveness payment program payment rate in effect from 12:01 a.m., Eastern Time, Friday, March 20, 2020, through midnight, Eastern Time, Thursday, March 26, 2020, at 4:00 p.m., Eastern Time.

ELS competitiveness payments are provided whenever, for 4 consecutive weeks, the lowest Friday through Thursday average adjusted price quotation for foreign growths (LFQ) is less than the Friday through Thursday average price quotation for U.S. Pima cotton, CFR Far East (USPFE); and the adjusted LFQ is less than 113 percent of the current 2019 crop year loan level for ELS cotton grade 2, staple 46, micronaire 3.5 or higher, strength 37.5 grams per tex and above (**95.75 cents per pound**). Future payments will be established if price conditions warrant. Relevant data for the ELS competitiveness program follow:

Fri/Thurs Period Ending	Adjusted LFQ as % of ELS Loan Rate	USPFE Price	LFQ Price	USPFE Less LFQ	Payment Rate	Dates Applicable
..... cents/lb.						
02/27/20	105.22	124.00	118.00	6.00	6.00	(02/28-03/05/20)
03/05/20	105.22	124.00	118.00	6.00	6.00	(03/06-03/12/20)
03/12/20	105.22	124.00	118.00	6.00	6.00	(03/13-03/19/20)
03/19/20	105.22	124.00	118.00	6.00	6.00	(03/20-03/26/20)

The adjusted LFQ = LFQ adjusted for the transportation cost between the United States and the Far East. Effective with the week ending July 18, 2019, the transportation adjustment to the LFQ for calculating the LFQ as a percent of the ELS loan rate is **17.25 cents per pound**. This is changed from the former adjustment of 17.12 cents per pound. **The 2019 crop loan rate of \$0.9575 became effective August 2, 2019, and is used in these calculations beginning with the week ending August 8, 2019.**

To obtain an ELS agreement or to inquire regarding operational issues, please contact Carie Cameron, Kansas City Commodity Management Branch at (816) 926-3966 or by e-mail Carie.Cameron@usda.gov.