



NEWS RELEASE

UNITED STATES DEPARTMENT OF AGRICULTURE • FARM SERVICE AGENCY

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UPLAND COTTON ANNOUNCEMENT

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The Department of Agriculture's Commodity Credit Corporation announced the adjusted world price (AWP) for Strict Low Middling (SLM) 1-1/16 inch (leaf grade 4, micronaire 3.5-3.6 and 4.3-4.9, strength 26.0-28.9 grams per tex, length uniformity of 80.0-81.9 percent) upland cotton (base quality), adjusted to U.S. quality and location, the fine count adjustment (FCA), the coarse count adjustment (CCA), and the loan deficiency payment (LDP) rate that will be in effect from 12:01 a.m., Eastern Time, February 12, 2016, through midnight, Eastern Time, Thursday, February 18, 2016. The next announcement of the AWP, FCA, CCA, and LDP rate for upland cotton will be on Thursday, February 18, 2016, at 4:00 p.m., Eastern Time.

Because the AWP for the period is less than 52.00 cents per pound, which is the base quality loan rate, the loan repayment rate during this period is equal to the AWP, adjusted for the specific quality. The loan repayment amount will be further adjusted by the application of a storage credit, and interest will be waived.

	<u>Cents/lb.</u>
Adjusted World Price (AWP)	45.09
Fine Count Adjustment (FCA) 2014 Crop	0.21
Fine Count Adjustment (FCA) 2015 Crop	0.16
Coarse Count Adjustment (CCA)	0.00
Loan Deficiency Payment (LDP) Rate	6.91

The payment rate of 6.91 is the difference between the base loan rate of 52.00 cents and the AWP.

This week's AWP, FCA, and CCA are determined as follows:

AWP calculation:	Far East (FE) Price	64.84
	Adjustments:	
	Avg. costs to market	-16.55
	SLM 1-1/16 inch cotton	-3.20
	Sum of Adjustments	-19.75
	ADJUSTED WORLD PRICE	45.09

FCA calculation:	2014	2015
Loan Schedule Premium for SM 1-1/8" Cotton	1.95	1.90
Less Market Premium (cannot be less than zero)*	1.74	1.74
FINE COUNT ADJUSTMENT (cannot be less than zero)	0.21	0.16

Market Premium for SM 1-1/8" Cotton:

FE Fine Count Price	66.58
FE Price	-64.84
*Total:	1.74

CCA calculation:

FE Price	64.84
FE Coarse Count Price	- 65.48
Adjustment to SLM 1-1/32 inch cotton	- 5.75
COARSE COUNT ADJUSTMENT (cannot be less than zero)	0.00

The Agricultural Act of 2014 provides that the AWP may be further adjusted if the Secretary determines adjustment is necessary to 1) minimize potential loan forfeitures, 2) minimize accumulation of Government stocks, 3) ensure free and competitive marketing of upland cotton, both domestically and internationally, and 4) ensure an appropriate transition between current-crop and forward-crop price quotations. No adjustment has been made this week.

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