

USDA ANNOUNCEMENT

1400 Independence Ave., SW
Washington, DC 20250

Erik Dohlman
202-720-4284
Erik.Dohlman@wdc.usda.gov

EXTRA LONG STAPLE (ELS) COTTON ANNOUNCEMENT

July 11, 2019

The Department of Agriculture's Commodity Credit Corporation announced that the competitiveness payment program payment rate in effect from 12:01 a.m., Eastern Time, Friday, July 12, 2019, through midnight, Eastern Time, Thursday, August 8, 2019, is zero. The next ELS payment rate announcement will be on August 8, 2019, at 4 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 134 percent of the current 2018 crop year loan level for ELS cotton grade 2, staple 46, micronaire 3.5 or higher, strength 37.5 grams per tex and above (**80.30** 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.			
06/20/19	179.23	132.00	161.04	-29.04	0.00	(06/21-06/27/19)
06/27/19	179.23	132.00	161.04	-29.04	0.00	(06/28-07/04/19)
07/04/19	179.23	132.00	161.04	-29.04	0.00	(07/05-07/11/19)
07/11/19	179.23	132.00	161.04	-29.04	0.00	(07/12-08/08/19)

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 **will be 17.25 cents per pound**. This is changed from the former adjustment of 17.12 cents per pound. **The 2019 crop base loan rate of \$0.9575 becomes effective August 1, 2019, and will first be used in these calculations for 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@ams.usda.gov.