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EXTRA LONG STAPLE (ELS) COTTON ANNOUNCEMENT

June 14, 2018

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, June 15, 2018, through midnight, Eastern Time, Thursday, July 12, 2018, is zero. The next ELS payment rate announcement will be on July 12, 2018, 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 crop year loan level for ELS cotton grade 2, staple 46, micronaire 3.5 or higher, strength 37.5 grams per tex and above (**80.85** cents per pound). Future payments will be established if price conditions warrant. Relevant data for the ELS competitiveness program follow:

	Adjusted					
Fri/Thurs	LFQ as %			USPFE		
Period	of ELS	USPFE	LFQ	Less	Payment	Dates
Ending	Loan Rate	Price	Price	LFQ	Rate	Applicable
cents/lb						
05/24/18	190.77	160.00	169.04	-9.04	0.00 (05	/25-05/31/18)
05/31/18	190.77	158.00	169.04	-11.04	0.00 (06	/01-06/07/18)
06/07/18	190.77	158.00	169.04	-11.04	0.00 (06	/08-06/14/18)
06/14/18	190.77	158.00	169.04	-11.04	0.00 (06	/15-07/12/18)

The adjusted LFQ = LFQ adjusted for the transportation cost between the United States and the Far East. Effective with this announcement, the transportation adjustment to the LFQ for calculating the LFQ as a percent of the ELS loan rate is **14.80** cents per pound.

To obtain an ELS agreement or to inquire regarding operational issues, please contact Marty Mitchell, Kansas City Commodity Management Branch at (816) 926-2644 or by e-mail <u>Crdfrb@kcc.usda.gov</u>