

EXTRA LONG STAPLE (ELS) COTTON ANNOUNCEMENT October 12, 2006

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, October 13, 2006, through midnight, Eastern Time, Thursday, November 9, 2006, is zero. The next ELS payment rate announcement will be on November 9, 2006, at 5 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, C/F 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 (82.50 cents per pound).

Relevant data for the ELS competitiveness program follow:

Fri/Thur Period Ending	Adjusted LFQ as % of ELS		USPFE		Payment Dates Rate Applicable
	Loan Rate	Price	LFQ Price	Less LFQ	
		 cents/lb		
09/21/06	NA	124.40	NA	NA	0.00 (09/22-09/28)
09/28/06	NA	123.00	NA	NA	0.00 (09/29-10/05)
10/05/06	NA	122.00	NA	NA	0.00 (10/06-10/12)
10/12/06	NA	122.00	NA	NA	0.00 (10/13-11/09)

Adjusted LFQ = LFQ adjusted for transportation differential, 13.56, between the United States and the Far East.

Future payments will be established if price conditions warrant.

To obtain an ELS agreement or to inquire regarding operational issues, please contact Richard Mashek, Kansas City Commodity Office at (816) 823-1134 or by e-mail Richard.Mashek@kcc.usda.gov

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