

USDA ANNOUNCEMENT

USDA
On Behalf of the Farm Service Agency

1400 Independence Ave., SW
Washington, DC 2025

EXTRA LONG STAPLE (ELS) COTTON ANNOUNCEMENT

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The Department of Agriculture's Commodity Credit Corporation announced the extra-long staple (ELS) competitiveness payment program payment rate in effect from 12:01 a.m., Eastern Time, Friday, August 7, 2020, through midnight, Eastern Time, Thursday, August 13, 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 2020 crop year loan level for ELS cotton grade 2, staple 46, micronaire 3.5 or higher, strength 37.5 grams per tex and above (95.35 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. | | | | | | |
| 07/16/20 | 105.22 | 124.00 | 118.00 | 6.00 | 6.00 | (07/17-07/23/20) |
| 07/23/20 | 104.18 | 124.00 | 117.00 | 7.00 | 7.00 | (07/24-07/30/20) |
| 07/30/20 | 104.18 | 124.00 | 117.00 | 7.00 | 7.00 | (07/31-08/06/20) |
| 08/06/20 | 104.17 | 124.00 | 117.00 | 7.00 | 7.00 | (08/07-08/13/20) |

The adjusted LFQ = LFQ adjusted for the transportation cost between the United States and the Far East. Effective with this announcement, the transportation adjustment for calculating the LFQ as a percent of the ELS loan rate will be 17.67 cents per pound.

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.