



Farm Service Agency
U.S. DEPARTMENT OF AGRICULTURE

USDA Announces 2019 Cotton Loan Rate Differentials

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WASHINGTON, April 15, 2019 – USDA’s Commodity Credit Corporation today announced the 2019-crop loan rate differentials for upland and extra-long staple cotton.

The differentials, also referred to as loan rate premiums and discounts, have been calculated based on market valuations of various cotton quality factors for the prior three years. This calculation procedure is identical to that used in past years, with two exceptions. One, there is a reduced discount applied to color white, leaf 8 upland cotton, and the addition of a new plastic extraneous matter category for upland cotton. Two, the ranges for extra-long staple strength discounts have changed from prior years.

The 2019-crop differential schedules are applied to 2019-crop loan rates of 52.00 cents per pound for the base grade of upland cotton and 95.00 cents per pound for extra-long staple cotton. The 2018 Farm Bill stipulates that the upland cotton loan rate range between 45-52 cents per pound based on the simple average of the Adjusted World Price for the two marketing years preceding sowing of the ensuing year’s crop. The loan rate provided to an individual cotton bale is based on the quality of each individual bale as determined by USDA’s Agricultural Marketing Service classing measurements.

The Commodity Credit Corporation adjusts cotton loan rates by these differentials so that cotton loan values reflect the differences in market prices for color, staple length, leaf, extraneous matter, micronaire, length uniformity and strength.

The rates are posted on the Farm Service Agency (FSA) website at www.fsa.usda.gov/programs-and-services/price-support/commodity-loan-rates/index. If you have questions or need additional information, please contact Erik Dohlman at (202) 720-4284 or by email at Erik.Dohlman@wdc.usda.gov.

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