

For: State and County Offices, CMA's, and LSA's

**2014 Loan Rates for Cotton**

Approved by: Deputy Administrator, Farm Programs



**1 2014 Cotton Loan Rates**

**A Background**

The Agricultural Act of 2014 (2014 Farm Bill) authorized 2014 through 2018 crop year MAL's and LDP's for upland cotton and extra long staple cotton.

**B Purpose**

This notice informs all State and County Offices, including CMA's and LSA's (for cotton), about the cotton loan rates.

**C Loan Rates**

The 2014 Farm Bill established the loan rate for **extra long staple cotton at \$0.7977 per pound** for each of the 2014 through 2018 crop years.

In the case of base quality upland cotton, the loan rate is set at the simple average of the adjusted prevailing world price for the two immediately preceding marketing years, as determined by the Secretary of Agriculture and announced October 1, 2013, before the next domestic plantings, but in no case less than \$0.45 per pound or more than \$0.52 per pound.

The loan rate for 2014 crop base quality **upland cotton was announced at \$0.52 per pound** because the calculation exceed the maximum allowed level and the announcement date specified in the 2014 Farm Bill had passed. Loan rate announcements for the 2015 through 2018 crops of upland cotton will be made October 1 each year before the crop is planted.

**D Web Site Access for Premiums and Discounts**

Premiums and discounts for cotton will be announced in a future amendment to 7-CN and posted to the PSD web site available at [www.fsa.usda.gov/FSA/webapp?area=home&subject=prsu&topic=lor](http://www.fsa.usda.gov/FSA/webapp?area=home&subject=prsu&topic=lor).

Disposal Date	Distribution
January 1, 2015	State Offices; State Offices relay to applicable County Offices, CMA's, and LSA's