US Price Mechanism

(Disclaimer Notified) Liverpool, October 14, 2005

Quotations in US cents per lb CIF CAD N. European ports, inc. commission
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US PRICE MECHANISM - 2005/2006 SEASON

	- cents per lb - Week to date	(Official Values
A) Friday/Thursday average 5Middling Values	59.85	(58.48)
B) Fri/Thurs average 3 SLM values	57.17	(55.72)
E) Shipping, Loan Quality and Location differentials (52 week averages)	15.48	(15.48)
F) ADJUSTED WORLD PRICE (AWP) (A - E)	44.37	(43.00)
G) Coarse Adjustment (current values A-B-6)	- 3.32	(0.00)
H) Marketing Loan Gain (52.00 base loan minus AWP)	7.63	(9.00)

US PRICE MECHANISM (2) COMPETITIVE ADJUSTMENT PROVISIONS

Step 1: *(inoperative if the AWP is above 115 percent of the Basic Loan, or 59.80 cents)*

Maximum permissible reduction of AWP	4.40

Step 2: (Marketing Subsidy)

AWP as percentage of basic loan (must not exceed 134%)	85.33%
A) Avg five N.Europe M.1-3/32" CIFs	59.85
L) Avg cheapest US M.1-3/32" CIFs	64.25
P) Theoretical value payable (L - A)	4.40
Official current rate payable through Thursday, October 20	4.42
No. of completed qualifying weeks	4

Step 3: (Import quota trigger) :-

R) USDA's estimated stock-to-use ratio	29.60%
S) To trigger a Step 3 quota, if (R) is greater than 16%, (L) must exceed (A) and the value of the previous week's Step 2 payment for four consecutive weeks. If (R) is less than 16%, the formula is (L) - (A).	
Number of qualifying weeks to date.	0
Number of purchase quotas declared 2005/06:	
Available purchase quota (bales of 480lbs)	

AMERICAN PIMA COMPETITIVENESS PAYMENT

US Pima CIF N.Europe quote	120.00
Today's cheapest competing foreign quote CIF N. Europe (adjusted for quality/transportation)	105.54
Theoretical foreign value as percentage of basic loan (must be less than 134%)	129.10%
T) Friday/Thursday US Pima CIF N.Europe Average	120.00
U) Average cheapest competing foreign quote CIF N. Europe (adjusted for quality/transportation)	105.54
V) Theoretical value (T-U)	14.46
No. of completed weeks. T must exceed U for four consecutive weeks.	1
Official current rate payable through Thursday October 20	N/A