



US Price Mechanism

(Disclaimer Notified) Liverpool, October 20, 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	59.34	(58.48)
B) Fri/Thurs average 3 SLM values	56.70	(55.72)
E) Shipping, Loan Quality and Location differentials (52 week averages)	15.48	(15.48)
F) ADJUSTED WORLD PRICE (AWP) (A - E)	43.86	(43.00)
G) Coarse Adjustment (current values A-B-6)	- 3.36	(0.00)
H) Marketing Loan Gain (52.00 base loan minus AWP)	8.14	(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 4.51

Step 2: (Marketing Subsidy)

AWP as percentage of basic loan (must not exceed 134%) 84.35%

A) Avg five N.Europe M.1-3/32" CIFs 59.34

L) Avg cheapest US M.1-3/32" CIFs 63.85

P) Theoretical value payable (L - A) 4.51

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 121.00

Today's cheapest competing foreign quote CIF N. Europe (adjusted for quality/transportation) 107.04

Theoretical foreign value as percentage of basic loan (must be less than 134%) 129.71%

T) Friday/Thursday US Pima CIF N.Europe Average 120.60

U) Average cheapest competing foreign quote CIF N. Europe (adjusted for quality/transportation) 106.04

V) Theoretical value (T-U) 14.56

No. of completed weeks. T must exceed U for four consecutive weeks. 1

Official current rate payable through Thursday October 20 N/A