



US Price Mechanism

(Disclaimer Notified) Liverpool, November 09, 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	57.25	(57.47)
B) Fri/Thurs average 3 SLM values	54.54	(55.10)
E) Shipping, Loan Quality and Location differentials (52 week averages)	15.48	(15.48)
F) ADJUSTED WORLD PRICE (AWP) (A - E)	41.77	(41.99)
G) Coarse Adjustment (current values A-B-6)	- 3.29	(0.00)
H) Marketing Loan Gain (52.00 base loan minus AWP)	10.23	(10.01)

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 2.88

Step 2: (Marketing Subsidy)

AWP as percentage of basic loan (must not exceed 134%) 80.33%

A) Avg five N.Europe M.1-3/32" CIFs 57.25

L) Avg cheapest US M.1-3/32" CIFs 60.13

P) Theoretical value payable (L - A) 2.88

Official current rate payable through Thursday, November 10 3.48

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**

Basic Loan Trigger

P1) Cheapest competing foreign quote C/F Far East (week to date average) 109.75

P2) P1 adjusted for quality and transportation 103.69

P3) P2 value must be less than 134% of basic loan (82.45) 125.76%

Payment Calculation

P4) Friday/Thursday US Pima C/F Far Eastern Average 130.50

P5) Average cheapest competing foreign quote C/F Far East (adjusted for quality) 116.79

P6) Theoretical value (P4-P5) 13.71

P7) No. of completed weeks. P4 must exceed P5 for four consecutive weeks. 4

P8) Official current rate payable through Thursday November 10 15.96

** Effective Nov 10, the official rate will be based on C/F Far Eastern values. However, at the time of publication no announcement has been made as to the relevant changes, if any, in the quality adjustment and (for the purpose of comparison with the basic loan) the transport differentials to be applied. The theoretical values published above are therefore calculated on existing values.