



US Price Mechanism

(Disclaimer Notified) Liverpool, November 17, 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	57.02	(57.16)
B) Fri/Thurs average 3 SLM values	54.47	(54.42)
E) Shipping, Loan Quality and Location differentials (52 week averages)	15.48	(15.48)
F) ADJUSTED WORLD PRICE (AWP) (A - E)	41.54	(41.68)
G) Coarse Adjustment (current values A-B-6)	- 3.45	(0.00)
H) Marketing Loan Gain (52.00 base loan minus AWP)	10.46	(10.32)

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%) 79.88%

A) Avg five N.Europe M.1-3/32" CIFs 57.02

L) Avg cheapest US M.1-3/32" CIFs 59.90

P) Theoretical value payable (L - A) 2.88

Official current rate payable through Thursday, November 17 2.79

No. of completed qualifying weeks 4

Step 3: (Import quota trigger) :-

R) USDA's estimated stock-to-use ratio 29.80%

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) 119.15

P2) P1 adjusted for quality and transportation 113.70

P3) P2 value must be less than 134% of basic loan (82.45) 137.90%

Payment Calculation

P4) Friday/Thursday US Pima C/F Far Eastern Average 136.60

P5) Average cheapest competing foreign quote C/F Far East (adjusted for quality) 127.26

P6) Theoretical value (P4-P5) N/A

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

P8) Official current rate payable through Thursday November 17 12.94