



US Price Mechanism

(Disclaimer Notified) Liverpool, December 23, 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 5 Middling Values	57.40	(56.77)
B) Fri/Thurs average 3 SLM values	56.25	(55.48)
E) Shipping, Loan Quality and Location differentials (52 week averages)	15.48	(15.48)
F) ADJUSTED WORLD PRICE (AWP) (A - E)	41.92	(41.29)
G) Coarse Adjustment (current values A-B-6)	- 4.85	(0.00)
H) Marketing Loan Gain (52.00 base loan minus AWP)	10.08	(10.71)

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 4.60

Step 2: (Marketing Subsidy)

AWP as percentage of basic loan (must not exceed 134%) 80.62%

A) Avg five N.Europe M.1-3/32" CIFs 57.40

L) Avg cheapest US M.1-3/32" CIFs 62.00

P) Theoretical value payable (L - A) 4.60

Official current rate payable through Thursday, December 29 4.33

No. of completed qualifying weeks 4

Step 3: (Import quota trigger) :-

R) USDA's estimated stock-to-use ratio 31.40%

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) 120.75

P2) P1 adjusted for quality and transportation 115.30

P3) P2 value must be less than 134% of basic loan (82.45) 139.84%

Payment Calculation

P4) Friday/Thursday US Pima C/F Far Eastern Average 143.00

P5) Average cheapest competing foreign quote C/F Far East (adjusted for quality) 128.86

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

P7) No. of completed weeks. P4 must exceed P5 for four consecutive weeks. 0

P8) Official current rate payable through Thursday December 29 N/A