



US Price Mechanism

(Disclaimer Notified) Liverpool, February 23, 2006

Quotations in US cents per lb CIF CAD N. European ports, inc. commission
subscription & transmission enquiries to:

Fax : +44 151 644 8550 Tel : +44 151 644 6400

E-Mail: editor@cotlook.com World Wide Web <http://www.cotlook.com>

US PRICE MECHANISM - 2005/2006 SEASON

- cents per lb -
Week to date (Official Value)

A) Friday/Thursday average 5 Middling Values	60.98	(61.00)
B) Fri/Thurs average 3 SLM values	58.15	(58.08)
E) Shipping, Loan Quality and Location differentials (52 week averages)	15.44	(15.44)
F) ADJUSTED WORLD PRICE (AWP) (A - E)	45.54	(45.56)
G) Coarse Adjustment (current values A-B-6)	- 3.17	(0.00)
H) Marketing Loan Gain (52.00 base loan minus AWP)	6.46	(6.44)

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 1.82

Step 2: (Marketing Subsidy)

AWP as percentage of basic loan (must not exceed 134%) 87.58%

A) Avg five N.Europe M.1-3/32" CIFs 60.98

L) Avg cheapest US M.1-3/32" CIFs 62.80

P) Theoretical value payable (L - A) 1.82

Official current rate payable through Thursday, February 23 1.65

No. of completed qualifying weeks 4

Step 3: (Import quota trigger) :-

R) USDA's estimated stock-to-use ratio 32.00%

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) 114.25

P2) P1 adjusted for quality and transportation 108.80

P3) P2 value must be less than 134% of basic loan (82.45) 131.96%

Payment Calculation

P4) Friday/Thursday US Pima C/F Far Eastern Average 135.00

P5) Average cheapest competing foreign quote C/F Far East (adjusted for quality) 122.36

P6) Theoretical value (P4-P5) 12.64

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

P8) Official current rate payable through Thursday February 23 12.64