



US Price Mechanism

(Disclaimer Notified) Liverpool, March 30, 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 Values)

| | | |
|---|--------|---------|
| A) Friday/Thursday average 5 Middling Values | 57.92 | (58.33) |
| B) Fri/Thurs average 3 SLM values | 55.88 | (56.22) |
| E) Shipping, Loan Quality and Location differentials (52 week averages) | 15.41 | (15.41) |
| F) ADJUSTED WORLD PRICE (AWP) (A - E) | 42.51 | (42.92) |
| G) Coarse Adjustment (current values A-B-6) | - 3.96 | (0.00) |
| H) Marketing Loan Gain (52.00 base loan minus AWP) | 9.49 | (9.08) |

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 2.93

Step 2: (Marketing Subsidy)

AWP as percentage of basic loan (must not exceed 134%) 81.75%

A) Avg five N.Europe M.1-3/32" CIFs 57.92

L) Avg cheapest US M.1-3/32" CIFs 60.85

P) Theoretical value payable (L - A) 2.93

Official current rate payable through Thursday, March 30 2.27

No. of completed qualifying weeks 4

Step 3: (Import quota trigger) :-

R) USDA's estimated stock-to-use ratio 29.70%

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. 1

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) 116.25

P2) P1 adjusted for quality and transportation 110.80

P3) P2 value must be less than 134% of basic loan (82.45) 134.38%

Payment Calculation

P4) Friday/Thursday US Pima C/F Far Eastern Average 133.40

P5) Average cheapest competing foreign quote C/F Far East (adjusted for quality) 124.36

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 March 30 9.04