



US Price Mechanism

(Disclaimer Notified) Liverpool, May 23, 2006

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	56.21	(57.42)
B) Fri/Thurs average 3 SLM values	52.03	(53.30)
E) Shipping, Loan Quality and Location differentials (52 week averages)	15.56	(15.56)
F) ADJUSTED WORLD PRICE (AWP) (A - E)	40.65	(41.86)
G) Coarse Adjustment (current values A-B-6)	- 3.36	(0.00)
H) Marketing Loan Gain (52.00 base loan minus AWP)	11.35	(10.14)

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 2.35

Treatment of Current/Forward Quotations during AWP transition:-

May 19 & 26 ((2 x Current+Forward)/3)	A) 56.21	B) NQ AWP)	40.65
June 2 & 9 ((Current+ Forward)/2)	A) 56.98	B) NQ AWP)	41.42
June 16 & 23 ((Current+ 2 x Forward)/3)	A) 57.74	B) NQ AWP)	42.18
Subsequent weeks (Forward)	A) 59.28	B) NQ AWP)	43.72

Step 2: (Marketing Subsidy)

AWP as percentage of basic loan (must not exceed 134%) 78.17%

A) Avg five N.Europe M.1-3/32" CIFs 54.67

L) Avg cheapest US M.1-3/32" CIFs 56.25

P) Theoretical value payable (L - A) 1.58

Official current rate payable through Thursday, May 25 2.61

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. 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) 118.25

P2) P1 adjusted for quality and transportation 112.80

P3) P2 value must be less than 134% of basic loan (82.45) 136.81%

Payment Calculation

P4) Friday/Thursday US Pima C/F Far Eastern Average 136.00

P5) Average cheapest competing foreign quote C/F Far East (adjusted for quality) 126.36

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 May 25 N/A