



US Price Mechanism

(Disclaimer Notified) Liverpool, June 16, 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 | 59.90 | (60.39) |
| B) Fri/Thurs average 3 SLM values | 54.42 | (54.70) |
| E) Shipping, Loan Quality and Location differentials (52 week averages) | 15.56 | (15.56) |
| F) ADJUSTED WORLD PRICE (AWP) (A - E) | 44.34 | (44.83) |
| G) Coarse Adjustment (current values A-B-6) | - 3.72 | (0.00) |
| H) Marketing Loan Gain (52.00 base loan minus AWP) | 7.66 | (7.17) |

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 4.68

Treatment of Current/Forward Quotations during AWP transition:-

| | | | |
|---|----------|-----------------------|-------|
| May 19 & 26 ((2 x Current+Forward)/3) | | Period expired | |
| June 2 & 9 ((Current+ Forward)/2) | | Period expired | |
| June 16 & 23 ((Current+ 2 x Forward)/3) | | Now in use | |
| Subsequent weeks (Forward) | A) 61.50 | B) NQ AWP) | 45.94 |

Step 2: (Marketing Subsidy)

| | |
|---|--------|
| AWP as percentage of basic loan (must not exceed 134%) | 85.27% |
| A) Avg five N.Europe M.1-3/32" CIFs | 56.70 |
| L) Avg cheapest US M.1-3/32" CIFs | 60.25 |
| P) Theoretical value payable (L - A) | 3.55 |
| Official current rate payable through Thursday, June 22 | 2.85 |
| 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. | 3 |
| 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 June 22 | N/A |