



US Price Mechanism

(Disclaimer Notified) Liverpool, July 20, 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 | 58.61 | (58.20) |
| B) Fri/Thurs average 3 SLM values | 55.35 | (53.58) |
| E) Shipping, Loan Quality and Location differentials (52 week averages) | 15.56 | (15.56) |
| F) ADJUSTED WORLD PRICE (AWP) (A - E) | 43.05 | (42.64) |
| G) Coarse Adjustment (current values A-B-6) | - 4.58 | -(4.13) |
| H) Marketing Loan Gain (52.00 base loan minus AWP) | 8.95 | (9.36) |

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 4.04

Step 2: (Marketing Subsidy)

AWP as percentage of basic loan (must not exceed 134%) 82.79%

A) Avg five N.Europe M.1-3/32" CIFs 56.77

L) Avg cheapest US M.1-3/32" CIFs 59.15

P) Theoretical value payable (L - A) 2.38

Official current rate payable through Thursday, July 20 2.80

No. of completed qualifying weeks 4

Step 3: (Import quota trigger) :-

R) USDA's estimated stock-to-use ratio 28.90%

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 July 20 N/A