



US Price Mechanism

(Disclaimer Notified) Liverpool, July 31, 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)	
		to July 31	Aug 1
A) Friday/Thursday average 5 Middling Values	59.95	(60.01)	(58.68)
B) Fri/Thurs average 3 SLM values	N/A	(56.82)	(57.17)
E) Shipping, Loan Quality and Location differentials (52 week averages)	15.91	(15.56)	(15.91)
F) ADJUSTED WORLD PRICE (AWP) (A - E)	44.04	(44.45)	(44.10)
G) Coarse Adjustment (current values A-B-6.55)	N/A	(0.00)	(0.00)
H) Marketing Loan Gain (52.00 base loan minus AWP)	7.96	(7.55)	(7.90)

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)*

Cheapest US quote minus A (NE) Index (5-day averages forward values)

Maximum permissible reduction of AWP 4.55

Step 2: (Marketing Subsidy)

Official current rate payable through midnight, Monday, July 31 2.67

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 August 3 N/A