Cotlook Cottonquotes

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US PRICE MECHANISM - 2006/2007 SEASON

- cents per lb -

	Week to date	(Official Values)
A) Friday/Thursday average of 5 N.Europe Middling 1-3/32" values	61.37	(60.35)
B) Friday/Thursday average of 3 N.Europe SLM 'coarse count' values	N/A	(0.00)
C) Friday/Thursday average of cheapest US M.1-3/32'' CIFs	65.92	(64.95)

ADJUSTED WORLD PRICE CALCULATION

Deduct from A

Shipping Differential 52 wk avg		11.36		
Loan Quality Differential (at average location) between:				
Middling 1-3/32"	56.65			
SLM 1-1/16"	52.00	4.65		
Location Differential between:-				
SLM 1-1/16" Loan	51.96			
(spot market avg)				
SLM 1-1/16" Loan	52.00			
(at average location)		-0.04		
D) Total Adjustment Factor			15.97	(15.93)
E) **ADJUSTED WORLD PRICE** (AWP) (A - D)			45.40	(44.42)
F) Coarse Adjustment Factor (must be above zero) (current values A-B-6.55)			N/A	N/A
G) Marketing Loan Gain (52.00 base loan minus AWP)			6.60	(7.58)

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 (C-A)	4.55

AMERICAN PIMA COMPETITIVENESS PAYMENT

Basic Loan Trigger

P1) Cheapest competing foreign quote C/F Far East (week to date average)	0
P2) P1 adjusted for quality and transportation	0
P3) P2 value must be less than 134% of basic loan (82.45)	0
Payment Calculation	
P4) Friday/Thursday US Pima C/F Far Eastern Average	127.00
P5) Average cheapest competing foreign quote C/F Far East (adjusted for quality)	NQ
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 10	N/A