



US Price Mechanism

(Disclaimer Notified) Liverpool, July 19, 2005

Quotations in US cents per lb CIF CAD N. European ports, inc. commission
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US PRICE MECHANISM - 2004/2005 SEASON

- cents per lb -
Week to date (Official Values)

A) Friday/Thursday average 5Middling Values	55.97	(57.85)
B) Fri/Thurs average 3 SLM values	54.11	(56.23)
E) Shipping, Loan Quality and Location differentials (52 week averages)	14.81	(14.89)
F) ADJUSTED WORLD PRICE (AWP) (A - E)	41.16	(42.96)
G) Coarse Adjustment (current values A-B-5.6)	- 3.74	(0.00)
H) Marketing Loan Gain (52.00 base loan minus AWP)	10.84	(9.04)

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 1.70

Step 2: (Marketing Subsidy)

AWP as percentage of basic loan (must not exceed 134%)	79.15%
A) Avg five N.Europe M.1-3/32" CIFs	53.77
L) Avg cheapest US M.1-3/32" CIFs	61.00
P) Theoretical value payable (L - A)	7.23
Q) Theoretical value payable Aug 4 (based forward values)	1.70
Official current rate payable through Thursday, July 21	7.73
No. of completed qualifying weeks	4

Step 3: (Import quota trigger) :-

R) USDA's estimated stock-to-use ratio	37.50%
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

AMERICAN PIMA COMPETITIVENESS PAYMENT

Pima Spot Average	160.70
Today's cheapest competing foreign quote CIF N. Europe (adjusted for quality/transportation)	85.71
Theoretical foreign value as percentage of basic loan (must be less than 134%)	104.84%
T) Friday/Thursday Pima Spot Average	160.70
U) Average cheapest competing foreign quote CIF N. Europe (adjusted for quality/transportation)	85.71
V) Theoretical value (T-U)	74.99
No. of completed weeks. T must exceed U for four consecutive weeks.	4
Official current rate payable through Thursday July 21	74.99