



US Price Mechanism

(Disclaimer Notified) Liverpool, July 20, 2005

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 - 2004/2005 SEASON

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

A) Friday/Thursday average 5 Middling Values	55.73	(57.85)
B) Fri/Thurs average 3 SLM values	53.81	(56.23)
E) Shipping, Loan Quality and Location differentials (52 week averages)	14.81	(14.89)
F) ADJUSTED WORLD PRICE (AWP) (A - E)	40.92	(42.96)
G) Coarse Adjustment (current values A-B-5.6)	- 3.68	(0.00)
H) Marketing Loan Gain (52.00 base loan minus AWP)	11.08	(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 1.58

Step 2: (Marketing Subsidy)

AWP as percentage of basic loan (must not exceed 134%) 78.69%

A) Avg five N.Europe M.1-3/32" CIFs 53.73

L) Avg cheapest US M.1-3/32" CIFs 60.63

P) Theoretical value payable (L - A) 6.90

Q) Theoretical value payable Aug 4 (based forward values) 1.58

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