



# US Price Mechanism

## (Disclaimer Notified) Liverpool, July 21, 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 5 Middling Values	55.56	(57.85)
B) Fri/Thurs average 3 SLM values	53.62	( 56.23)
E) Shipping, Loan Quality and Location differentials (52 week averages)	14.81	(14.89)
F) ADJUSTED WORLD PRICE (AWP) (A - E)	40.75	(42.96)
G) Coarse Adjustment (current values A-B-5.6)	- 3.66	( 0.00)
H) Marketing Loan Gain (52.00 base loan minus AWP)	11.25	( 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 1.59

#### Step 2: (Marketing Subsidy)

AWP as percentage of basic loan (must not exceed 134%) 78.37%

A) Avg five N.Europe M.1-3/32" CIFs 53.66

L) Avg cheapest US M.1-3/32" CIFs 60.35

P) Theoretical value payable (L - A) 6.69

Q) Theoretical value payable Aug 4 (based forward values) 1.59

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) 86.71

Theoretical foreign value as percentage of basic loan (must be less than 134%) 105.09%

T) Friday/Thursday Pima Spot Average 160.70

U) Average cheapest competing foreign quote CIF N. Europe (adjusted for quality/transportation) 85.91

V) Theoretical value (T-U) 74.79

No. of completed weeks. T must exceed U for four consecutive weeks. 4

Official current rate payable through Thursday July 21 74.99