



US Price Mechanism

(Disclaimer Notified) Liverpool, July 29, 2005

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

	Week to date	- cents per lb - (Official Jul 29)
A) Friday/Thursday average 5 Middling Values	55.55	(55.56)
B) Fri/Thurs average 3 SLM values	53.75	(53.72)
E) Shipping, Loan Quality and Location differentials (52 week averages)	14.73	(14.73)
F) ADJUSTED WORLD PRICE (AWP) (A - E)	40.82	(40.83)
G) Coarse Adjustment (current values A-B-5.6)	- 3.80	(0.00)
H) Marketing Loan Gain (52.00 base loan minus AWP)	11.18	(11.17)

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 2.70

Step 2: (Marketing Subsidy)

AWP as percentage of basic loan (must not exceed 134%)	78.50%
A) Avg five N.Europe M.1-3/32" CIFs	54.30
L) Avg cheapest US M.1-3/32" CIFs	61.25
P) Theoretical value payable (L - A)	6.95
Q) Theoretical value payable Aug 4 (based forward values)	2.70
Official current rate payable through Thursday, August 04	7.01
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

Official current rate payable through Thursday August 4	73.99
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