USDA Risk Management Agency
U.S. DEPARTMENT OF AGRICULTURE

PM-21-001

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Date

January 13, 2021

To

All Approved Insurance Providers

All Risk Management Agency Field Offices All

Other Interested Parties

From

Richard H. Flournoy, Deputy Administrator

Subject

2021 Crop Year Commodity Exchange Price Provisions (CEPP) – Peanuts Factors: February 28, 2021 Sales Closing Date

The CEPP - Peanuts factors necessary to establish the insured's amount of protection under the peanut program for the 2021 CY are identified below. The factors are applied to the commodity prices for wheat, cotton, soybean oil, and soybean meal during the discovery period of January 15, 2021 to February 14, 2021. These factors apply only to states with a Sales Closing Date (SCD) of February 28, 2021. They are determined in accordance with the Peanut Price Methodology guidelines published and available at rma.usda.gov/-/media/RMA/Policies/CEPP/2021/Commodity-Exchange-Price-Provisions---Peanuts-21-CEPP-PT.ashx

The factor values for peanuts in states and counties with a February 28, 2021 SCD as specified in the CEPP – Peanuts document for the 2021 crop year are shown below.

The values for the exponent factors for each commodity exchange futures contract are:

Commodity	Abbreviation	Value

Wheat	$?_{?h}$	-0.2110
Cotton	$?_{?t}$	0.3064
Soybean Oil	$?_{so}$	0.7181
Soybean Meal	$?_{sm}$	-0.1937

The values for the price constant and price weighting factors are:

Variable	Abbreviation	Value
Price Constant	C	0.1599
Price Weighting Formula	W	0.4835

The values for the type factors are:

Type	**Abbreviation**	**Value**
Runner	T_{ru}	1.00
Spanish	T_{sp}	1.63
Valencia	T_{va}	1.16
Virginia	T_{vi}	1.16

Additionally, the factor specifications for commodities utilized to determine price volatility are as follows:

Commodity	**Abbreviation**	**Value**
Wheat	G_{wh}	0.1130
Cotton	G_{ct}	0.5934
Soybean Oil	G_{so}	-0.1015
Soybean Meal	G_{sm}	0.1063

The value for the volatility weighting factor is:

Variable	Abbreviation	Value
Volatility Weighting Factor	V	1.6546

DISPOSAL DATE: December 31, 2021