

PM-20-090

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Date

December 11, 2020

To

All Approved Insurance Providers

All Risk Management Agency Field Offices

All Other Interested Parties

From

Richard H. Flournoy, Deputy Administrator /s/ Richard H. Flournoy 12/1///2020

Subject

2021 Crop Year Commodity Exchange Price Provisions (CEPP) – Peanuts Factors:
January 31, 2021 Sales Closing Date

Background

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 December 15, 2020 to January 14, 2021. These factors apply only to states with a Sales Closing Date (SCD) of January 31, 2021. They are determined in accordance with the Peanut Price Methodology guidelines published and available at www.rma.usda.gov/sites/default/files/2025-02/Commodity-Exchange-Price-Provisions---Peanuts-21-CEPP-PT.pdf

Action

The factor values for peanuts in states and counties with a January 31, 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 | E_{wh} | -0.2188 |
| Cotton | E_{ct} | 0.3070 |
| Soybean Oil | E_{so} | 0.7304 |
| Soybean Meal | E_{sm} | -0.1901 |

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

| Variable | Abbreviation | Value |
|-------------------------|---------------------|--------------|
| Price Constant | C | 0.1591 |
| Price Weighting Formula | W | 0.5237 |

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} | 0.1174 |
| Cotton | G_{ct} | 0.5927 |
| Soybean Oil | G_{so} | -0.1090 |
| Soybean Meal | G_{sm} | 0.1204 |

The value for the volatility weighting factor is:

| Variable | Abbreviation | Value |
|-----------------------------|---------------------|--------------|
| Volatility Weighting Factor | V | 1.5976 |

DISPOSAL DATE

December 31, 2021