PM-19-002

View PDF Date January 14, 2019 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 1/14/2019 Subject 2019 Crop Year Commodity Exchange Price Provisions (CEPP) – Peanut Factors – February 28, 2019 Sales Closing Date

Background

The CEPP peanut factors necessary to establish the insured's amount of protection under the peanut program for the 2019 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, 2019 to February 14, 2019. These factors apply only to states with a Sales Closing Date (SCD) of February 28, 2019, and are determined in accordance with the Peanut Price Methodology guidelines.

Action

The factor values for the pricing of Yield Protection (01), Revenue Protection (02), and Revenue Protection with Harvest Price Exclusion (03) for peanuts in states and counties with a February 28, 2019 SCD as specified in the CEPP - Peanut for the 2019 crop year are shown below. The values for the exponent factors for each commodity exchange futures contract are:

Commodity Abbreviation Value

Wheat	E _{wh}	-0.2532
Cotton	E _{ct}	0.2503
Soybean Oil	E _{so}	0.8746
Soybean Meal	E _{sm}	-0.3131

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

Variable	Abbreviation	Value
Price Constant	С	0.1514
Price Weighting Factor	Ŵ	1.6071

The values for the type factors are:

Type Abbreviation Value

Runner T _{ru}	1.00
Spanish T _{sp}	1.31
Valencia T _{va}	1.06
Virginia T _{vi}	1.06

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

Commodity Abbreviation Value

Wheat	G _{wh}	0.1264
Cotton	G _{ct}	0.4516
Soybean Oil	G _{so}	-0.0323
Soybean Mea	G _{sm}	0.0551

The value for the volatility weighting factor is:

Variable Abbreviation Value

Wheat	V	2.2118

DISPOSAL DATE:

December 31, 2019