

PM-17-005

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Date

January 30, 2017

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 1/30/2017

Subject

2017 Crop Year (CY) Commodity Exchange Price Provisions (CEPP) – Peanut Factors –
March 15, 2017 Sales Closing Date

Background

The CEPP peanut factors necessary to establish the insured's amount of protection under the peanut program for the 2017 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 February 1, 2017 to February 28, 2017. These factors apply only to states with a Sales Closing Date (SCD) of March 15, 2017. They are determined in accordance with the Peanut Price Methodology guidelines published.

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 March 15, 2017 SCD as specified in the CEPP for the 2017 crop year are shown below.

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

<i>Commodity</i>	<i>Abbreviation</i>	<i>Value</i>
Wheat	???	-0.2256
Cotton	??t	0.3121
Soybean Oil	??o	0.8084
Soybean Meal	??m	-0.3756

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

<i>Variable</i>	<i>Abbreviation</i>	<i>Value</i>
Price Constant	?	0.1682
Price Weighting Factor	?	0.9633

The values for the type factors are:

<i>Type</i>	<i>Abbreviation</i>	<i>Value</i>
Runner	??u	1.00
Spanish	??p	1.31
Valencia	??a	1.11
Virginia	??i	1.11

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

<i>Commodity</i>	<i>Abbreviation</i>	<i>Value</i>
Wheat	???	-0.2414
Cotton	??t	0.7061
Soybean Oil	??o	0.3771
Soybean Meal	??m	0.2812

The value for the volatility weighting factor is:

<i>Variable</i>	<i>Abbreviation</i>	<i>Value</i>
Volatility Weighting Factor	?	0.5819

DISPOSAL DATE

December 31, 2017