

PM-21-005

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Date

January 28, 2021

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

Subject

2021 Crop Year (CY) Commodity Exchange Price Provisions (CEPP) – Peanut Factors –
March 15, 2021 Sales Closing Date

Background

The CEPP peanut 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 February 1, 2021 to February 28, 2021. These factors apply only to states with a Sales Closing Date (SCD) of March 15, 2021. They are determined in accordance with the Peanut Price Methodology guidelines published and available at </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 March 15, 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	γ_{w}	-0.2108
Cotton	γ_{ct}	0.3064
Soybean Oil	γ_{so}	0.7177
Soybean Meal	γ_{sm}	-0.1939

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

Variable	Abbreviation	Value
Price Constant	C	0.1599
Price Weighting Factor	W	0.4838

The values for the type factors are:

Type	Abbreviation	Value
Runner	γ_u	1.00
Spanish	γ_p	1.63
Valencia	γ_a	1.16
Virginia	γ_i	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}	-0.1016
Soybean Meal	G_{sm}	0.1065

The value for the volatility weighting factor is:

Variable	Abbreviation	Value
Volatility Weighting Factor	V	1.6541

DISPOSAL DATE:

December 31, 2021