

PM-18-002

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Date

January 11, 2018

To

All Approved Insurance Providers

All Risk Management Agency Field Offices

All Other Interested Parties

From

Richard H. Flournoy, Deputy Administrator

Subject

2018 Crop Year Commodity Exchange Price Provisions (CEPP) – Peanut Factors –
February 28, 2018 Sales Closing Date

The CEPP peanut factors necessary to establish the insured’s amount of protection under the peanut program for the 2018 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, 2018 to February 14, 2018. These factors apply only to states with a Sales Closing Date (SCD) of February 28, 2018. They are determined in accordance with the [Peanut Price Methodology guidelines](#).

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, 2018 SCD as specified in the CEPP for the 2018 crop year are shown below.

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

Commodity	Abbreviation
Wheat	Ewh
Cotton	Ect

Soybean Oil	Eso
Soybean Meal	Esm

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

Variable	Abbreviation	Value
Price Constant	C	0.1676
Price Weighting Factor	W	0.9927

The values for the type factors are:

Type	Abbreviation	Value
Runner	Tru	1.00
Spanish	Tsp	1.31
Valencia	Tva	1.13
Virginia	Tvi	1.13

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

Commodity	Abbreviation	Value
Wheat	Gwh	-0.2345
Cotton	Gct	1.1547
Soybean Oil	Gso	0.4442
Soybean Meal	Gsm	-0.0701

The value for the volatility weighting factor is:

Variable	Abbreviation	Value
Volatility Weighting Factor	V	0.4401