![USDA Risk Management Agency - U.S. DEPARTMENT OF AGRICULTURE]

PM-20-007

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Date

January 29, 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 1/29/2020

Subject

2020 Crop Year (CY) Commodity Exchange Price Provisions (CEPP) – Peanut Factors – March 15, 2020 Sales Closing Date

Background

The CEPP peanut factors necessary to establish the insured's amount of protection under the peanut program for the 2020 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, 2020 to February 28, 2020. These factors apply only to states with a Sales Closing Date (SCD) of March 15, 2020. They are determined in accordance with the Peanut Price Methodology guidelines published and available at www.rma.usda.gov/policy-procedure/general-policies/commodity-exchange-price-provisions.

Action

The factor values for peanuts in states and counties with a March 15, 2020 SCD as specified in the CEPP – Peanuts document for the 2020 crop year are shown below.

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

Commodity	Abbreviation	Value
Wheat	$?_{wh}$	-0.2454
Cotton	$?_{ct}$	0.2671
Soybean Oil	$?_{so}$	0.8131
Soybean Meal	$?_{sm}$	-0.2350

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

Variable	Abbreviation	Value
Price Constant	C	0.1589
Price Weighting Factor	W	0.7462

The values for the type factors are:

Type	Abbreviation	Value
Runner	$?_{ru}$	1.00
Spanish	$?_{sp}$	1.38
Valencia	$?_{va}$	1.16
Virginia	$?_{vi}$	1.16

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

Commodity	Abbreviation	Value

Wheat	$?_{??}$	0.1738
Cotton	G_{ct}	0.5196
Soybean Oil	G_{so}	-0.2086
Soybean Meal	Gsm	0.4121

The value for the volatility weighting factor is:

Variable	Abbreviation	Value
Volatility Weighting Factor	?	0.8289

DISPOSAL DATE
December 31, 2020