

PM-20-090

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Date

December 11, 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 12/1///2020

Subject

2021 Crop Year Commodity Exchange Price Provisions (CEPP) – Peanuts Factors:
January 31, 2021 Sales Closing Date

Background

The CEPP - Peanuts 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 December 15, 2020 to January 14, 2021. These factors apply only to states with a Sales Closing Date (SCD) of January 31, 2021. They are determined in accordance with the Peanut Price Methodology guidelines published and available at www.rma.usda.gov/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 January 31, 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	E_{wh}	-0.2188
Cotton	E_{ct}	0.3070
Soybean Oil	E_{so}	0.7304
Soybean Meal	E_{sm}	-0.1901

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

Variable	Abbreviation	Value
Price Constant	C	0.1591
Price Weighting Formula	W	0.5237

The values for the type factors are:

Type	Abbreviation	Value
Runner	T_{ru}	1.00
Spanish	T_{sp}	1.63
Valencia	T_{va}	1.16
Virginia	T_{vi}	1.16

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

Commodity Abbreviation Value

Wheat	G_{wh}	0.1174
Cotton	G_{ct}	0.5927
Soybean Oil	G_{so}	-0.1090
Soybean Meal	G_{sm}	0.1204

The value for the volatility weighting factor is:

Variable	Abbreviation	Value
Volatility Weighting Factor	V	1.5976

DISPOSAL DATE

December 31, 2021