PM-19-002

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Date

January 14, 2019

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 1/14/2019

Subject

2019 Crop Year Commodity Exchange Price Provisions (CEPP) – Peanut Factors – February 28, 2019 Sales Closing Date

Background

The CEPP peanut factors necessary to establish the insured's amount of protection under the peanut program for the 2019 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, 2019 to February 14, 2019. These factors apply only to states with a Sales Closing Date (SCD) of February 28, 2019, and are determined in accordance with the Peanut Price Methodology guidelines.

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 February 28, 2019 SCD as specified in the CEPP - Peanut for the 2019 crop year are shown below.

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

Commodity	Abbreviation	Value
Wheat	E_{wh}	-0.2532
Cotton	E_{ct}	0.2503
Soybean Oil	E_{so}	0.8746
Soybean Meal	E_{sm}	-0.3131

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

Variable	Abbreviation	Value
Price Constant	C	0.1514
Price Weighting Factor	W	1.6071

The values for the type factors are:

Type	Abbreviation	Value
Runner	T_{ru}	1.00
Spanish	T_{sp}	1.31
Valencia	T_{va}	1.06
Virginia	T_{vi}	1.06

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

Commodity	Abbreviation	Value
Wheat	G_{wh}	0.1264
Cotton	G_{ct}	0.4516
Soybean Oil	G_{so}	-0.0323
Soybean Meal	G_{sm}	0.0551

The value for the volatility weighting factor is:

Variable	Abbreviation	Value
Wheat	V	2.2118

DISPOSAL DATE:

December 31, 2019