

PM-15-006: 2015 Crop Year Commodity Exchange Price Provisions - Peanuts Factors - March 15, 2015 Sales Closing Date

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Date

January 29, 2015

To

All Approved Insurance Providers

All Risk Management Agency Field Offices

All Other Interested Parties

From

Tim B. Witt, Deputy Administrator /s/ Tim B. Witt

Subject

2015 Crop Year Commodity Exchange Price Provisions – Peanuts (CEPP) Factors –
March 15, 2015 Sales Closing Date

Background

The Federal Crop Insurance Corporation Board of Directors approved the CEPP for revenue peanuts beginning with the 2015 CY. The factors necessary to establish the insured's amount of protection under the peanut program for the 2015 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, 2015 to February 28, 2015. These factors apply only to States with a Sales Closing Date (SCD) of March 15, 2015. They are determined in accordance with the [Peanut Price Methodology guidelines](#) published in November 2014.

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 March 15, 2015 SCD as specified in the CEPP for the 2015 crop year are shown below. The values for the exponent factors for each exchange commodity futures contract are:

Commodity Abbreviation Value

Wheat	E_{wh}	-0.2974
Cotton	E_{ct}	0.3072
Soybean Oil	E_{so}	0.9704
Soybean Meal	E_{sm}	-0.4297

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

Variable Abbreviation Value

Price Constant	C	0.1514.
Price Weighting Formula	W	4.1276

The values for the type factors are:

Type Abbreviation Value

Runner	T_{ru}	1.00
Spanish	T_{sp}	1.33
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}	-0.0647
Cotton	G_{ct}	0.5811
Soybean Oil	G_{so}	0.0717
Soybean Meal	G_{sm}	-0.2271

The value for the volatility weighting factor is:

Variable	Abbreviation	Value
Volatility Weighting Factor	V	3.0392

DISPOSAL DATE:

December 31, 2015