

PM-15-003 2015 Crop Year Commodity Exchange Price Provisions - Peanuts Factors - February 28, 2015 Sales Closing Date

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Date

January 13, 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 – February 28, 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 January 15, 2014 to February 14, 2015. These factors apply only to States with a Sales Closing Date (SCD) of February 28, 2015. They are determined in accordance with the Peanut Price Methodology guidelines published in November 2014 and available at:

www.rma.usda.gov/policy-procedure/crop-policies/commodity-exchange-price-provisions-peanuts-15-cepp-pt.

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, 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
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Wheat	E_{wh}	-0.2887
Cotton	E_{ct}	0.3085
Soybean Oil	E_{so}	0.9596
Soybean Meal	E_{sm}	-0.4268

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

Variable	Abbreviation	Value
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Price Constant	C	0.1514
Price Weighting Formula	W	4.0388

The values for the type factors are:

Type	Abbreviation	Value
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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
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Wheat	G_{wh}	-0.0639
Cotton	G_{ct}	0.5809

Commodity	Abbreviation	Value
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Soybean Oil	G_{so}	0.0712
Soybean Meal	G_{sm}	-0.2265

The value for the volatility weighting factor is:

Variable	Abbreviation	Value
Volatility Weighting Factor	V	3.0345

DISPOSAL DATE:

December 31, 2015