



United States
Department of
Agriculture

December 11, 2018

Farm Production and
Conservation

Risk
Management
Agency

Beacon Facility
Mail Stop 0801
P.O. Box 419205
Kansas City,
MO 64141-6205

INFORMATIONAL MEMORANDUM: PM-18-064

TO: All Approved Insurance Providers
All Risk Management Agency Field Offices
All Other Interested Parties

FROM: Richard H. Flournoy /s/Richard H. Flournoy
Deputy Administrator

SUBJECT: 2019 Crop Year Commodity Exchange Price Provisions (CEPP) –
Peanuts Factors; January 31, 2019 Sales Closing Date

BACKGROUND:

The CEPP - Peanuts 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 December 15, 2018 to January 14, 2019. These factors apply only to states with a Sales Closing Date (SCD) of January 31, 2019. They are determined in accordance with the Peanut Price Methodology guidelines published and available at www.legacy.rma.usda.gov/policies/2015/15-cepp-pt.pdf.

ACTION:

The factor values for peanuts in states and counties with a January 31, 2019 SCD as specified in the CEPP – Peanuts document for the 2019 crop year are shown below.

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

<i>Commodity</i>	<i>Abbreviation</i>	<i>Value</i>
Wheat	E_{wh}	-0.2619
Cotton	E_{ct}	0.2442
Soybean Oil	E_{so}	0.8929
Soybean Meal	E_{sm}	-0.3232

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

<i>Variable</i>	<i>Abbreviation</i>	<i>Value</i>
Price Constant	C	0.1520
Price Weighting Formula	W	1.7788

The values for the type factors are:

<i>Type</i>	<i>Abbreviation</i>	<i>Value</i>
Runner	T_{ru}	1.00
Spanish	T_{sp}	1.31
Valencia	T_{va}	1.05
Virginia	T_{vi}	1.05

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

<i>Commodity</i>	<i>Abbreviation</i>	<i>Value</i>
Wheat	G_{wh}	0.1134
Cotton	G_{ct}	0.4437
Soybean Oil	G_{so}	-0.0376
Soybean Meal	G_{sm}	0.0032

The value for the volatility weighting factor is:

<i>Variable</i>	<i>Abbreviation</i>	<i>Value</i>
Volatility Weighting Factor	V	2.8265

DISPOSAL DATE:

December 31, 2019