USDA

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United States Department of Agriculture

Farm Production and Conservation

Risk Management Agency

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

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January 28, 2019

INFORMATIONAL MEMORANDUM: PM-19-006

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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 (CY) Commodity Exchange Price Provisions (CEPP) – Peanut Factors – March 15, 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 February 1, 2019, to February 28, 2019. These factors apply only to states with a Sales Closing Date (SCD) of March 15, 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 March 15, 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}	-0.2925
Cotton	E_{ct}	0.2099
Soybean Oil	E_{so}	0.9514
Soybean Meal	E_{sm}	-0.3333

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

Variable	Abbreviation	Value
Price Constant	C	0.1510
Price Weighting Factor	W	1.4476

The values for the type factors are:

Type	Abbreviation	Value
Runner	T_{ru}	1.00
Spanish	T_{sp}	1.31
Valencia	T_{va}	1.07
Virginia	T_{vi}	1.07

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

Commodity	Abbreviation	Value
Wheat	G_{wh}	0.0551
Cotton	G_{ct}	0.4727
Soybean Oil	G_{so}	-0.0068
Soybean Meal	G_{sm}	-0.0291

The value for the volatility weighting factor is:

Variable	Abbreviation	Value
Volatility Weighting Factor	V	3.1717

DISPOSAL DATE:

December 31, 2019