



United States  
Department of  
Agriculture

January 13, 2017

Farm and Foreign  
Agricultural  
Services

**INFORMATIONAL MEMORANDUM: PM-17-001**

Risk  
Management  
Agency

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

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

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

**SUBJECT:** 2017 Crop Year Commodity Exchange Price Provisions (CEPP) – Peanut  
Factors – February 28, 2017 Sales Closing Date

**BACKGROUND:**

The CEPP peanut factors necessary to establish the insured’s amount of protection under the peanut program for the 2017 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, 2017 to February 14, 2017. These factors apply only to states with a Sales Closing Date (SCD) of February 28, 2017. They are determined in accordance with the Peanut Price Methodology guidelines published and available at:

<http://www.rma.usda.gov/policies/2015/15-cepp-pt.pdf>.

**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, 2017, SCD as specified in the CEPP for the 2017 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	$E_{wh}$	-0.2262
Cotton	$E_{ct}$	0.3128
Soybean Oil	$E_{so}$	0.8091
Soybean Meal	$E_{sm}$	-0.3764

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

<i>Variable</i>	<i>Abbreviation</i>	<i>Value</i>
Price Constant	$C$	0.1682
Price Weighting Factor	$W$	0.9724

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	$T_{va}$	1.11
Virginia	$T_{vi}$	1.11

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

<i>Commodity</i>	<i>Abbreviation</i>	<i>Value</i>
Wheat	$G_{wh}$	-0.2404
Cotton	$G_{ct}$	0.7058
Soybean Oil	$G_{so}$	0.3767
Soybean Meal	$G_{sm}$	0.2810

The value for the volatility weighting factor is:

<i>Variable</i>	<i>Abbreviation</i>	<i>Value</i>
Volatility Weighting Factor	$V$	0.5816

**DISPOSAL DATE:**

December 31, 2017