

## Peer Review Plan

Preliminary Title: Rising Infant Formula Costs to the WIC Program: Recent Trends in Rebates and Wholesales Prices

Type of Report (ERR, EIB, EB) ERR

Agency: Economic Research Service [X] Influential Scientific Information  
USDA [ ] Highly Influential Scientific Assessment

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Subject of Review: Because of the large volume of infant formula purchased through WIC, even small increases in net wholesale price can result in large increases in total costs to the program. WIC is a discretionary grant program funded annually by appropriations law and the number of participants that can be served within a fixed budget depends heavily on the program's food package costs. This report examines formula costs and WIC market shares. It compares the real net wholesale price in a state's current contract to that of its previous contract. The analysis is based primarily on data on infant formula rebate contracts provided by USDA's Food and Nutrition Service and infant formula wholesale prices as reported in the formula manufacturers' price list catalogs. Proprietary data on infant formula sales obtained from the Nielsen Company are used to examine the characteristics of the infant formula market.

Purpose of Review: The purpose of the review is to ensure the high-quality of the economic analysis, transparent explanation of methods, objective interpretation of results, and effective communication to the intended audience.

Type of Review: [ ] Panel Review [X] Individual Reviewers  
[ ] Alternative Process (Briefly Explain):

Timing of Review (Est.): Start: 08/07/09 End: 10/29/09 Completed: 10/29/09

Number of Reviewers: [ ] 3 or fewer [X] 4 to 10 [ ] More than 10

Primary Disciplines/Types of Expertise Needed for Review: Economists

Reviewers selected by: [X] Agency [ ] Designated Outside Organization  
Organization's Name:

Opportunities for Public Comment? [ ] Yes [X] No  
If yes, briefly state how and when these opportunities will be provided:  
How:  
When:

Peer Reviewers Provided with Public Comments? [ ] Yes [X] No  
Public Nominations Requested for Review Panel? [ ] Yes [X] No