

## Peer Review Plan

Preliminary Title: How Retail Beef and Bread Prices Respond to Changes in Ingredient and Input Costs  
Type of Report (ERR, EIB, EB) ERR

Influential Scientific Information

Agency: Economic Research Service  Highly Influential Scientific Assessment  
USDA

Agency Contact: Elise Golan, egolan@ers.usda.gov

Subject of Review: In this study we develop a model for pass-through behavior for two retail food items with different levels of processing, beef and bread, using 36 years of monthly Bureau of Labor Statistics price indices data (1972-2008). Through the use of a two-stage error correction model that allows for the possibility of asymmetric price response, we analyze both the farm to wholesale and wholesale to retail price relationship. We also test for the presence of structural breaks in the underlying long term relationships between price series over time. Variations in the response of the downstream prices that are dependent on the magnitude and/or sign of changes in the upstream price are modeled either through breaking up the variables that are thought to exhibit asymmetric behavior or by considering a threshold type response based on the downstream price's position relative to the expected long term relationship.

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  Individual Reviewers

Alternative Process (Briefly Explain):

Timing of Review (Est.): Start: 06/22/10 End: 09/10/10 Completed: 09/29/10

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

Primary Disciplines/Types of Expertise Needed for Review: Economists

Reviewers selected by:  Agency  Designated Outside Organization  
Organization's Name:

Opportunities for Public Comment?  Yes  No

If yes, briefly state how and when these opportunities will be provided:

How:

When:

Peer Reviewers Provided with Public Comments?  Yes  No

Public Nominations Requested for Review Panel?  Yes  No



