

Peer Review Plan

Preliminary Title: Alternative Dairy Policy Programs: Analysis of Risk Management and Margin Insurance

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: Public risk management policies have the potential to induce supply expansion, which might lower farm-level prices and offset risk reduction benefits. An evaluation of the Livestock Gross Margin – Dairy (LGM-Dairy) insurance program predicted economically significant reductions in downside risk, with potential to induce modest supply expansion (0% - 3%) if widely adopted. Subsidizing the insurance premium would increase expansion incentives. Insuring both output price and feed costs is more effective than insuring output price alone, and produces more equitable risk management performance across selected regions. The gross margin insurance program is more flexible and convenient than hedging directly in futures or options markets, especially for small farms.

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: 11/6/12 End: 6/27/2013 Completed: 06/27/2013

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



