

ERS Peer Review Plan

Preliminary Title: Recent Trends in Infant Formula Rebates

Type of Report (ERR, EIB, EB) ERR
 Influential Scientific Information

Agency: Economic Research Service Highly Influential Scientific Assessment
USDA

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Subject of Review: The Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) provides participating partially or fully-formula-fed infants with free infant formula. This study estimates that in 2020, about half of all infant formula in the United States was consumed by WIC infants. To reduce the cost of infant formula paid for by WIC, Federal law requires that the WIC State agencies that operate the program use a cost-containment system for the purchase of infant formula. Most WIC State agencies use a single supplier competitively bid rebate program to reduce the cost of formula purchased through WIC. Contracts are awarded to the manufacturer offering the lowest net wholesale price, defined as the difference between the manufacturer's wholesale price and the manufacturer's rebate to the State agency. This report summarizes recent trends in State agencies' infant formula rebate contracts and examines how factors such as declines in the number of infants participating in WIC contribute to these trends. The study finds that WIC contracts awarded between October 2018 and March 2023 resulted in greater savings to WIC on purchases of infant formula compared to previous contracts. After adjusting for inflation, net wholesale prices decreased by \$1.49 per 90 fluid ounces of reconstituted formula from previous contracts..

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: 3/7/2024 Completed: ---

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

