Peer Review Plan

Preliminary Title: ALTERNATIVE DATA SOURCES FOR THE AGRICULTURAL RISK COVERAGE PROGRAM

Type of Report (ERR, EIB, EB, TB, SOR,)   ERR

Agency: Economic Research Service USDA

[X] Influential Scientific Information
[ ] Highly Influential Scientific Assessment

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Subject of Review:

The Agricultural Risk Coverage (ARC) program in the Agricultural Act of 2014 (2014 Farm Act) makes commodity support payments to participating farmers based on shortfalls in expected crop revenue. The most widely used version of the program, ARC-County (ARC-CO), bases the payment levels on countylevel yield estimates that are provided by the National Agricultural Statistics Service (NASS) of the USDA. There are two main issues with the current implementation of ARC-CO. First, NASS data is not available for all counties with base acres enrolled in the program, meaning that alternative data sources must be used in these cases. Yield data from the Risk Management Agency (RMA) of the USDA represents a potential alternative data source. Second, in any given year, adjacent counties will not necessarily both receive an ARC-CO payment for the same crop, which is a characteristic of the program that has been a target of complaint in the farm sector. Moreover, yields from alternative data sources may vary from those provided by NASS, potentially generating different likelihoods of receiving an ARC-CO payment, different expected payment rates, and differences in how payments compare across neighboring counties. For some counties, neither NASS nor RMA provide estimates suitable for determining ARC-CO program payments. In contrast, weather data is available for all counties and could be used for modeling county yields. Models of county yields based on weather data have the potential to provide coverage when administrative records are not available. This report examines two county yield models based on weather data and their implication for ARC-CO payment rates, frequencies, and impacts on the geographic distribution of payments.

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: 4/12/18   Completed: 10/17/19   Withdrawn: XX/XX/XX

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