

## Peer Review Plan

Preliminary Title: Cotton Policy in China

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

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

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Subject of Review: China is the world's largest producer, consumer, importer, and stockholder of cotton. China's introduction of a guaranteed minimum price for cotton during 2011-13 provided increased support for its cotton farmers, drove cotton textile fiber use out of China, and resulted in an unprecedented level of ending stocks for China and the world. This movement from China's previous "soft" market price support program to a rigid, high level of market price support proved costly, leading China's government to indicate that the policy is unsustainable and that a shift to a reliance on subsidy payments to farmers instead of price supports would begin in 2014. While China's production of cotton will likely fall and its consumption rise, China's transition to a long term set of cotton policies will also likely include a reduction in its large stocks, resulting in some combination of lower prices and production of cotton outside of China during this period of stock draw-down. The size of China's cotton industry and particularly of its stocks means these impacts could be large. There will be period of transition as a more sustainable set of policies evolve and the policies will differ from those of the United States, reflecting the characteristics of China's agriculture and cotton industry.

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: 08/27/14 End: 12/16/2014 Completed: 12/16/2014

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                     No

