

## ERS Peer Review Plan

Preliminary Title: International Food Consumption Patterns: Updates on Income and Price Elasticity Estimates

Type of Report (ERR, EIB, EB) TB

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

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Subject of Review: This study utilizes the 2017 International Comparison Project (ICP) data from the World Bank to analyze consumer spending patterns, employing the Almost Ideal Demand System (AIDS) and Quadratic Almost Ideal Demand System (QUAIDS) models. The ICP data, covering 176 economies, is categorized by geographic regions and income groups. Results indicate that in line with economic theory, consumers in low-income economies allocate a higher proportion of income to necessities like food, while those in high-income economies spend more on luxury goods. As economies advance, the study observes a shift towards increased spending on luxuries, such as health and recreation, and reduced allocations to necessities. Income elasticities generally decrease with rising income levels, with exceptions noted for specific food subcategories. Additionally, marginal shares demonstrate changes in food spending distribution across subcategories based on income levels, highlighting shifting consumer preferences. The study also identifies the price elasticity of various food items, distinguishing between relatively price inelastic (e.g., bread, cereals, oils, fats) and price elastic (e.g., meat, fish, dairy) categories. Overall, the findings contribute valuable insights into consumer behavior, income effects, and price responsiveness across diverse economies.

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: 5/31/2024 Completed: ---

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

