

Guest editorial: New developments in US agricultural lending: implications for the federal farm bill programs

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This special issue of the *Agricultural Finance Review* seeks to offer insights to policymakers and other USDA stakeholders as discussions for a new farm bill commence, especially on credit-related aspects. The nine papers in this special issue cover various topics, with authors representing academia, government and financial institutions.

The US farm sector faces many challenges, including (1) uncertainty in commodity prices, (2) recent increases in interest rates, (3) ongoing evolution of US trade policies, (4) the farm bill expiring this year and (5) the highest level of inflation-adjusted farm debt on record. To maintain global competitiveness, US producers continue to invest by funding through retained earnings and/or loans. Typically, farmers take loans to buy farm real estate, necessary equipment and other large-scale infrastructure (such as grain bins), as well as annual and periodic input purchases. Farmers also rely on loans during times of financial uncertainty and stress.

Even though not all farm operations have debt, several sources of credit are available to farmers, including traditional lenders such as commercial banks and non-traditional lenders such as equipment dealerships. The United States Department of Agriculture (USDA) Farm Service Agency (FSA) also provides direct and guaranteed loans to those producers who might be unable to get credit from other sources. The US Farm Bill provides authorization and guidelines to the USDA FSA to provide those loans to producers.

The Farm Bill was extended at the end of 2024 for one year through September 30, 2025. The studies cover the estimation of marginal interest rates, the relationship between government payments and debt, liquidity and resilience of agricultural banks, the relationship of farmers' sentiment with demand for USDA loans and the utilization of USDA loans for different purposes. These papers use different economic models and data sources, including the USDA's nationally representative Agricultural Resource Management Survey (ARMS) and several state-and regional-level datasets. Jointly, the papers included in this special issue help readers to understand the agricultural credit landscape at national and regional levels.

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