

## ERS Peer Review Plan

Preliminary Title: Debt Use by U.S. Farm Businesses, 2012–2021

Type of Report  
(ERR, EIB, EB) EIB

Influential Scientific Information

Agency: Economic Research Service  Highly Influential Scientific Assessment  
USDA

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Subject of Review: The Federal Reserve started tighter monetary policies, including quantitative tightening, and increasing short-term federal funds-rate in 2022. This policy shift toward higher rates can impact longer-term debt and reduce profitability for many farm operations. Farm debt significantly impacts the overall welfare of farm households and the financial health of farm operations. Producers obtain loans to expand operations, cover day-to-day expenses, and survive a financial downturn. However, significant debt with higher interest rates can also lead to the inability to service that debt. Higher debt levels relative to income hinder growth and can even result in farm bankruptcy. The financial wellbeing of farm operations and farm households depends on the economic vitality and competitiveness of financial institutions as well. The existence of vibrant and competitive credit sources is beneficial to farmers for multiple reasons, including (possibly) lower borrowing costs. Interest rates influence the demand and supply of loans.

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: 6/09/2023 Completed: 10/17/2023

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

Opportunities for Public Comment?  Yes  No

If yes, briefly state how and when these opportunities will be provided:

How:

When:

