

FARMER LENDER MEDIATION PROGRAM

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Executive Summary of Program Results in Federal Fiscal Year 2010

- 3,862 mediation notices were received from creditors who had sent notices to agricultural debtors. This is an increase of 24.2% over 2009.
- Debtor(s) for 1,691 of the notices, or 47% requested mediation.
- 1,280 notices completed mediation in 2010. Of these, 75% reached a settlement.
- An estimated 41,233 individuals, consisting of participants in mediation or others interested in the program, received the services of 12 part-time mediators, 4 part-time financial analysts, 2 part-time Community Program Specialists, 2.25 administrative staff and a full-time program director working a total FTE of 5.67 in FFY 2010.
- Debtor(s) for 1,908 of the notices waived mediation. Results for waived notices may have been the debtor(s) and creditor worked out a resolution, including making the debt current, re-structuring the debt, filing bankruptcy or abandoning the collateral.
- Based on the Minnesota Agricultural Statistics Districts, the debtor(s) receiving notices of mediation were geographically distributed as follows, in descending order: Central 24%, South East 16%, East Central 16%, Northwest 13%, West Central 9%, South Central 9%, Southwest 8%, North Central 3% and Northeast 2%.
- The type of creditor sending the initial notice of mediation was, in descending order: Banks 48%; Farm Credit Services, United FCS, AgStar, AgCountry and AgriBank 23%; Implement Dealers and Manufacturers 22%; United States Department of Agriculture and Farm Service Agency 4%; Contracts for Deed 2% and Others 1% (Judgments, small business accounts and etc.).
- The total amount of debt reported and addressed in mediation sessions was approximately \$621.6M. This is a 92.6% increase from 2009. The approximate breakdown was as follows: Banks \$189.7M, Farm Service Agency \$115.3M, Farm Credit Services \$124.6M, Main Street Suppliers and Small Businesses \$177.3M, Contracts \$7.3M, Implement Companies \$7.4M.
- The primary commodity enterprise of the debtor(s) was, in descending order: crop 32%, dairy 31%, hogs 26%, cattle 17%, and other 4%.
- The type of ownership structure of the farming entity involved included 66% sole proprietors, 11% partnerships, and 23% corporations.
- The average farm debtor recorded in mediation was a 50.8 year-old sole proprietor (ranging in age from 22 to 92 years old), who had owned the land for 19 years: owning 260 acres; renting 589 acres; with an average net worth of \$193,861; average agricultural debt of approximately \$316,204; median non-farm income of \$42,784 and median family living expenses of \$37,255 per year.
- The total number of notices was 3,862. The average cost per notice was \$.

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