



EXECUTIVE SUMMARY FEDERAL FISCAL YEAR 2013

Farmer-Lender Mediation

PROGRAM STATISTICS

Creditors sent 1,612 mediation notices to agricultural debtors. Debtor(s) requested mediation for 569 (26%) of the notices. A total of 451 notices completed mediation in 2013, of these 56% reached a settlement. Debtor(s) for 931 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 30%; East Central 19%; South East 16%; South Central 10%; Northwest 8%; West Central 8%; North Central 5%; Southwest 3%; and Northeast 1%.

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 24%; Implement Dealers and Manufacturers 15%; United States Department of Agriculture and Farm Service Agency 10%; others 2% (Judgments, small business accounts and etc.) and Contracts for Deed 1%.

The total amount of debt reported and addressed in mediation sessions was approximately \$91.9M. The approximate breakdown was as follows: Banks \$56.6M; Farm Credit Services, United FCS, AgStar, AgCountry and AgriBank \$15.6M; Main Street Suppliers and Small Businesses \$5.8M; U.S.D.A. Farm Service Agency \$3.4M; Contracts \$4.8M; Implement Companies \$4.6M; other personal debt \$717,697; and taxes \$315,520;

The primary commodity enterprise of the debtor(s) was, in descending order: dairy 36%; crop 34%; cattle 15%; hogs 7%; horses 4%; poultry 3% and other 1%. The type of ownership structure of the farming entity involved included 69% sole proprietors; 17% corporations; 11% partnerships; and trusts 13%.

An estimated 15,016 individuals, consisting of participants in mediation or others interested in the program, received the services of 6 part-time mediators, 3 part-time financial analysts, a Principal Investigator for the USDA grant, administrative, grant, financial and legal support from various University staff and offices.

AVERAGE FARM DEBTOR

The average farm debtor recorded in mediation was: a 55 year-old sole proprietor (ranging in age from 25 to 83 years old); who had owned the land for 24 years; owning 328 acres; renting 380 acres; average agricultural debt of approximately \$161,519; median non-farm income of \$47,312 and median family living expenses of \$38,322 per year.

QUESTIONS OR COMMENTS?

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