



EXECUTIVE SUMMARY FEDERAL FISCAL YEAR 2014

Farmer-Lender Mediation

PROGRAM STATISTICS

- 1,680 mediation notices were received from creditors who had sent notices to agricultural debtors.
- Debtor(s) for 520 of the notices, or 26% requested mediation.
- 382 notices completed mediation in 2014. Of these, 73% reached a settlement.
- An estimated 16,181 contacts, consisting of participants in mediation or others interested in the program, received the services of the program.
- In FY 2014, the program staff had an FTE of 5.25, including 6 part-time mediators, 3 part-time financial analysts, 2 full-time administrative assistants and a full-time program director. Additional staff involved included the principal investigator for the USDA grant, and administrative, grant, financial and legal support from various University staff and offices. We have reduced our staff by 66% over the last four years.
- Debtor(s) for 1,055 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 28%; Northwest 17%; East Central 16%; South East 12%; West Central 10%; South Central 8%; Southwest 5%; North Central 2%; and Northeast 2%.
- The type of creditor sending the initial notice of mediation was, in descending order: Banks 44%; Implement Dealers and Manufacturers 25%; Farm Credit Services, United FCS, AgStar, AgCountry and AgriBank 19%; United States Department of Agriculture and Farm Service Agency 9%; 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 \$70.5M. The approximate breakdown was as follows: Banks \$45.3M; Main Street Suppliers and Small Businesses \$7.9M; Farm Credit Services, United FCS, AgStar, AgCountry and AgriBank \$4.6M; U.S.D.A. Farm Service Agency \$4.3M; Contracts \$5M; Implement Companies \$2.9M; and other personal debt \$434,624.
- The primary commodity enterprise of the debtor(s) was, in descending order: crop 46%; dairy 29%; cattle 21%; and hogs 4%.

- The type of ownership structure of the farming entity involved included 69% sole proprietors; 22% corporations; and 9% partnerships.
- The average farm debtor recorded in mediation was: a 53 year-old sole proprietor (ranging in age from 20 to 87 years old); who had owned the land for 21 years; owning 254 acres; renting 280 acres; average agricultural debt of approximately \$137,506; median non-farm income of \$40,358 and median family living expenses of \$37,364 per year.

QUESTIONS OR COMMENTS?

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