



EXECUTIVE SUMMARY FEDERAL FISCAL YEAR 2015

Farmer-Lender Mediation

PROGRAM STATISTICS

- 2,472 mediation notices were received from creditors who had sent notices to agricultural debtors.
- Debtor(s) for 1097 of the notices, or 31% requested mediation.
- 917 notices completed mediation in 2015. Of these, 79% reached a settlement.
- An estimated 21,970 contacts, consisting of participants in mediation or others interested in the program, received the services of the program.
- In FY 2015, 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.
- Debtor(s) for 1,514 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 25%; West Central 17%; Northwest 15%; South East 15%; East Central 11%; South Central 10%; Southwest 5%; North Central 1%; and Northeast 1%.
- 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 23%; United States Department of Agriculture and Farm Service Agency 6%; Contracts for Deed 1% and others 1% (Judgments, small business accounts and etc).
- The total amount of debt reported and addressed in mediation sessions was approximately \$180.6M. The approximate breakdown was as follows: Banks \$126.8M; Farm Credit Services, United FCS, AgStar, AgCountry and AgriBank \$15.8M; Implement Companies \$12.3M; Main Street Suppliers and Small Businesses \$10.7M; Contracts \$9.1M; U.S.D.A. Farm Service Agency \$4.9M; other personal debt \$628,498 and taxes \$212,592.

- The primary commodity enterprise of the debtor(s) was, in descending order: crop 68%; cattle 13%; dairy 12%; poultry 4% and hogs 3%.
- The type of ownership structure of the farming entity involved included 50% sole proprietors; 29% partnerships; 18% corporations, and 3% trusts.
- The average farm debtor recorded in mediation was: a 56 year-old sole proprietor (ranging in age from 20 to 83 years old); who had owned the land for 23 years; owning 392 acres; average agricultural debt of approximately \$175,378; median non-farm income of \$38,344 and median family living expenses of \$39,288 per year.

QUESTIONS OR COMMENTS?

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