

FARMER LENDER MEDIATION PROGRAM
University of Minnesota Extension Service
Executive Summary of Program Results in Federal Fiscal Year 2006

- **2101 mediation cases were opened based on the receipt of a notice of mediation served on a farm debtor. This represents an increase of 37% over last year.**
- **710 cases requested mediation. This was an increase of 57% over FY2005.**
- **Estimated 25,214 program participants (an average of 12 participants per case) received the services of a Program Director, 12 Mediators, 4 Financial Analysts, 1 Community Program Specialist and 5 program staff.**
- **80% of mediated cases reached a settlement by the end of mediation, while only 20% of mediated cases did not reach a settlement agreement by the end of mediation.**
- **1,391 debtors waived mediation of the debt. Results of these cases may be that the debtor worked out a resolution without mediation. The following may have occurred; pay the debt current, bankruptcy or abandonment of the collateral.**
- **Geographically, Minnesota Agricultural Statistics Districts in descending order of creditor notices of mediation were: Northwest (523), Central (381), Southeast (276), South Central (265), West Central (249), Southwest (218), East Central (134), Northeast (30) and North Central (25).**
- **Creditors, who served notice of mediation, in descending order: Banks 30%, Implement Dealers and Manufacturers 28%, Farm Credit Services 25%, Farm Service Agency 2%, United States Department of Agriculture 2%, Contracts for Deeds 2%, and other 1% (Judgments, small business accounts).**
- **The total amount of debt that was addressed in mediation case sessions was \$667,611,622.00. This is a 108% increase over FY2005. The approximate breakdown was as follows: Banks \$456.3M, Main Street Suppliers and Small Businesses \$40.5M, Farm Credit Services \$36.8M, Contracts \$3.1M, Farm Service Agency \$77.8M and Implement Companies \$22.9M.**
- **The commodity enterprise of the debtors, in descending order was: crop 47%, dairy 39%, hogs 8%, cattle 6% and other .03%.**
- **The ownership of the farming entity was: 58% sole proprietors, 27% partnerships and 15% corporations.**
- **The average farm debtor in mediation was a 52-year-old sole proprietor, owning 320 acres; with an average net worth of approximately \$671,719; average agricultural debt of approximately \$991,993; median non-farm income of \$32,839 and median family living expenses of \$37,215 per year.**
- **The total number of cases was 2101. The average cost per case was \$182.57.**

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