

2008 – 2009 Comparison**Increase in number of farmers using debt mediation to handle business challenges**

Creditors with a secured debt of more than \$5,000 against an agricultural property must offer Farmer-Lender Mediation before proceeding with foreclosure, repossession, cancellation of contract, or collection of a judgment. **The number of notices of secured debt increased dramatically in 2009, and has increased 85.6% since 1999.**

	2008	2009	% inc. / dec.
Number of notices received	2,002	3,107	+55%
Number of notices mediated	640	1,192	+86%
Number of notices reaching resolution	377 (of 483 completed)	422 (of 639 completed)	+12%

These mediation cases worked to resolve extraordinary debt amounts in lending sectors.

Total debt addressed	\$156,300,000	\$322,800,000	+106.5%
Banks	126.3M	124.5M	-1.4%
Farm Service Agency	7.3M	116M	+148%
Main Street Suppliers and Small Businesses	9.5M	18M	+89%
Farm Credit Services	9.4M	48.5M	+415%
Contracts	1M	9.5M	+850%
Implement Companies	2.8M	5M	+79%
Overdue taxes		5M	

The debtors in mediation identified their **primary farm product** as:

Dairy	20%	31%	+11% of cases
Hogs	5%	12%	+7%
Cattle	20%	19%	-1%
Horses	3%	2%	-1%
Crop	50%	35%	-15%

The majority of debtors who take advantage of mediation are sole proprietors.

	2008	2009
Sole Proprietors	77%	68%
Partnerships	10%	23%
Corporations	12%	9%
Trusts	1%	>1%

Farmer-Lender Mediation is carried out by the University of Minnesota Extension. Despite the increase in mediated debt, the program continues to be operated with a lean and effective staff.

FTEs, including part-time mediators, financial analysts and management staff	5.89	5.67
Average cost / notice	\$300.89	\$134.15