University of Minnesota Extension

Executive Summary of Program Results in Federal Fiscal Year 2019

- 3,608 mediation notices were received in FY19 from creditors who had sent notices to agricultural debtors.
    - Debtor(s) for 1,159 of these notices, 32% requested mediation. 2,854 notices completed mediation in FY19. Of these, 88% reached an agreement. (537 notices were carried forward from FY18.)
    - Debtor(s) for 1,745 of the FY19 notices waived mediation. Results for waived notices may have been that the debtor(s) and creditor worked out a resolution, including making the debt current, restructuring the debt, filing bankruptcy or abandoning the collateral.
    - 704 notices received in FY19 were still open at the end of FY19.

- An estimated 31,105 contacts, consisting of participants in mediation or others interested in the program, received the services of the program.

- In FY 2019, the program staff had an FTE of 5.0, including 6 part-time mediators, 2 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.

- Based on the Minnesota Agricultural Statistics Districts, the debtor(s) receiving notices of mediation were geographically distributed as follows, in descending order: Central 26%; Northwest 19%; West Central 13%; Southwest 12%; South East 11%; South Central 10%; East Central 5%; North Central 3%; and Northeast 1%.

- The type of creditor sending the initial notice of mediation, in descending order: Banks 50%; Farm Credit Services, United FCS, AgStar, AgCountry, Compeer, and AgriBank 20%; Implement Dealers and Manufacturers 18%; United States Department of Agriculture and Farm Service Agency 11%; Contract for Deed .5% and others .5% (Judgments, small business accounts and etc).

- The total amount of debt reported and addressed in mediation sessions was approximately $292.9M The approximate breakdown as follows: Banks $199M; Farm Credit Services, United FCS, AgStar, AgCountry, Compeer and AgriBank $39M; Contracts $16M; Main Street Suppliers and Small Businesses $15M; U.S.D.A. Farm Service Agency $12M; Implement Companies $11M; other personal debt $.5M and taxes $.26M.

- The primary commodity enterprise of the debtor(s), in descending order: crop 48%; cattle 24%; dairy 21%; hogs 3% poultry 2%; and other 2%.

- The type of ownership structure of the farming entity involved included: sole proprietors 62%; partnerships; 21%; corporations 14% and other 3%.

- The average farm debtor recorded in mediation: a 58 year-old sole proprietor (ranging in age from 20 to 98 years old); who had owned the land for 28.3 years; owning 622 acres; average agricultural debt of approximately $182,895; median non-farm income of $47,225 and median family living expenses of $46,499 per year.

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