HOW TO GET STARTED

Farmers wishing to participate in Farmer-Lender Mediation must ask for a Request for Mandatory Mediation form. Please request this form from:

Mary Nell Preisler
Program Director
1526 – 170th Avenue
Bejou, MN 56516

Phone: 218-935-5785
Email: preis002@umn.edu

This request form must be returned within fourteen days. Those who do not return the form within fourteen days waive their right to mediation.

If you request mediation, you need to be as prepared as possible. Part of your preparation will be to carefully review your situation and the reasons for that situation. In completing the Request for Mandatory Mediation form, make sure to identify all creditors necessary for your farming operation. The next step will be an orientation meeting between the farmer, creditor, financial analyst and the mediator to explain the process and to determine if financial information needs to be prepared.

If you have questions about mediation, contact the Statewide Farmer-Lender Mediation Program at 218-935-5785.

NOTE: This program is one of four types of mediation service provided for under the Omnibus Farm Bill. In certain circumstances, farmers/debtors may also choose to participate in Voluntary Mediation, Rural Dispute Resolution, or USDA National Appeals Division (NAD) mediations. For more information about these, contact Mary Nell Preisler, Farmer-Lender Mediation Program, 1526 170th Avenue, Bejou, MN 56515.
Debt happens to farmers. In fact, the need for investments in land and equipment requires most farmers to carry debt. Unfortunately, this debt can lead to farm foreclosures and major lifestyle changes.

The Minnesota State Legislature recognized the need to support both farmers and lenders in managing agricultural debt. The 1986 Omnibus Farmer-Lender Bill includes a program of farmer-lender mediation to facilitate discussions on credit problems. Since 1986, University of Minnesota Extension has managed this successful mediation program.

What is “Farmer-Lender Mediation”? Mediation makes use of a trained, neutral mediator to assist in negotiations between parties in dispute. Mediation is an informal and confidential process that generally calls for less time and money than adversarial court litigation. Mediators advise, counsel and assist parties on ways to come to agreement, but do not tell parties how they should conduct their business or personal affairs.

A creditor with a secured debt of more than $5,000 against an agricultural property must offer Farmer-Lender Mediation before the creditor may proceed with foreclosure, repossession, cancellation of contract, or collection of a judgment. Mediation offers a farmer in debt the opportunity to renegotiate, restructure, or resolve farm debt during the 90-day period when creditors may not collect on the debt.

FARMER-LENDER MEDIATION WORKS TO:
- Achieve open communication among parties
- Create a non-hostile environment
- Define the rights and responsibilities of the debtor and creditor
- Treat all parties with dignity and respect
- Resolve differences and produce agreements acceptable to all parties involved

Good for Farmers. Good for Lenders.
Successful mediation requires compromise on the part of both debtor and creditor. Farmers may have to change their business to make it more profitable, or liquidate assets to bring cash to the table. Creditors may need to restructure debt and security or reschedule loan payments.

Trained mediators use conflict resolution to bring about effective negotiation. The mediator helps define issues, emphasizes common goals, keeps discussion moving forward, looks at all options, reduces fault finding and, most importantly, provides each party a chance to be heard.

Mediation helps those involved retain control over the outcome through a joint decision-making process. When parties meet face-to-face, trust is built. The parties have a strong incentive to make the agreement work, because they created the agreement themselves.

Good for Minnesota. The Farmer-Lender Mediation program saves farms, keeps local businesses healthy, and assures stronger bonds between farmers and the businesses that are important to their communities.

“"The mediation process provided a neutral environment for problem-solving, exploring options and presenting proposals.””
— DEBTOR

“"The mediation process contributed in a positive manner to resolve every situation.””
— BANKER