



Farmer-Lender Mediation Program

**MARY NELL PREISLER
PROGRAM DIRECTOR**

Farmer-Lender Mediation Mission Statement



To find mutually agreeable solutions through the use of mediation for agricultural-related producers, businesses and lenders impacted by agricultural, natural resource, economic and related disputes.

Federal (70%) State (30%) Program



When to mediate

Authorized in the 2014 Omnibus Farm Bill

- 1. Mandatory Mediation**
- 2. Voluntary Mediation**
- 3. Rural Dispute Resolution**
- 4. USDA National Appeals Division (NAD) Mediation**

When to mediate

Authorized in Minnesota State Statute

- **Agricultural debt:**
 - **At least \$5,000 in outstanding loan principal.**
 - **More than 60 acres.**
 - **If less than 60 acres, must have more than \$20,000 in gross operations.**

What is mediation?

Mediation is:

- **the use of a neutral facilitator – a mediator – to assist in the negotiations of parties in a dispute**
- **an informal and confidential process**
- **offers an agricultural producer in a dispute the opportunity to renegotiate, restructure, or resolve farm debt and/or issue.**

Keys to making it work

 **Neutrality**

 **Autonomy**

 **Confidentiality**

 **Competence**

 **Credibility**

 **Mutually agreed upon solutions**

 **Open to options and compromise**

Why use mediation?

- **Saves time and money**
- **Promotes mutually agreed-upon solutions**
- **Empowers parties to be better negotiators**
- **Creates a win/win solution**



Issues that get mediated

- **Agricultural credit**
- **Rural Issues**
- **Department of Natural Resources**
- **United States Department of Agriculture (USDA) disputes**
- **Farm Service Agency (FSA) mediations**
- **Rural Housing**



FLM Process

- **1) Creditor sends out letter to the debtor with the option of mediation. This is served on the debtor(s) by certified mail.**
- **2) Creditor sends a copy of the letter to the FLM office.**



3) FLM office sends out a packet of information to the debtor packet includes:

- Default cover letter from FLM**
- FLM brochure**
- Form to request “Mandatory Mediation”**
- List of Dept of Ag Farm Advocates**

14 days from the receipt of the creditor letter starts a timeline to request mediation.

- **Debtor does not request mediation – a waiver is sent to the creditor.**
- **The creditor may continue with legal process. Foreclosure, cancellation of contract, repossession or collection of a judgment action.**

14 days from the receipt of the creditor letter starts a timeline to request mediation.

- **Debtor fills out the request for mediation:**
 - **Lists all debts over \$5,000 and those significant to the operation.**
 - **All the creditors lists will receive notice of the mediation and are invited to all sessions.**

Sends out notices to all parties involved with the mediation.

- **The FLM office sets up the following:**
 - **Contacts a mediator**
 - **Selects a date and place for orientation and initial meeting.**

Mediation Timeline

- **Debtor files within the 14 days of receipt of the creditor letter**
- **Mediation timeline 90 days from the date of filing the request.**
- **Within 3 weeks of filing an orientation session is held.**



Mediation timeline

- **Within 30 days of filing an initial session.**
- **Remaining 60 days to hold mediation sessions.**
- **At the end of the 90 days the Mediator will terminate the mediation with an agreement, lack of good faith or no agreement.**

What is the role of FBM?

- **Participate in the process.**
- **Knowledge base of the producer.**
- **Provide data:**
 - **Current balance sheet**
 - **History – Goals - Future**

Operations

- **Staffing**
 - Program Director
 - Administrative staff
 - Mediators & Financial Analysts
 - 8 part-time staff (2 FTE)

Mediation Staff

- Darwin Doc Johnson
- Tom Koelln
- Jim Anderson
- Mary Nell Preisler
- John Sethre
- Jim Bloch
- Alane Bendtsen
- Candace Kulzer



Making it all work

- **Mary Nell Preisler – Program Director**
- **Diane Osenga – Executive Office and
Administrative Specialist**
- **Candance Kulzer – Executive Office and
Administrative Specialist
Mediator**



**For more information:
Farmer-Lender Mediation Program**

1526 170th Avenue

Bejou, MN 56516

Phone: (218) 935-5785

Fax: 218.935.9053

Email: preis002@umn.edu

www.extension.umn.edu/agriculture/farmer-lender-mediation



Bejou?



**Bejou,
Minnesota**

**Mahnomen
County**

Population: 89

Merci Beaucoup

La shukran ala wajib

Dank u

Thank you!

Mahalo

DO JEH

A dank aych

Grazia

Arrigato

tie to
Spasibo!

GRACIAS
leith
Tapadh

DANK U

