

# MEDIATION MINUTE

NORTH DAKOTA DEPARTMENT OF AGRICULTURE

Spring 2006

Vol. 3, No.2

## Outreach focuses on farmers, ranchers

The North Dakota Department of Human Services' Rehabilitation Consulting and Services (RCS) unit helps farm and ranch operators who experience difficulties in maintaining their operations due to a permanent illness, injury or impairment. RCS Rural Services was created to inform farmers, ranchers, and rural residents about the vocational rehabilitation services available to them.

Trina Gress, RCS consultant and rural services specialist, is a farm woman who understands the challenges facing agricultural operators.

"For most, farming and ranching are a family tradition, and they want to stay on the farm no matter what. It's not just a job; it's something they love doing," Gress says. "With so many challenges facing them, they need to know who they can turn to if this way of life is in danger because of a permanent illness or injury."

Gress and Tom Schiwal, Bismarck RCS regional administrator, are responsible for the unit's efforts to aid the state's farmers and ranchers. They developed a successful pilot project in the 10 counties served by the Bismarck office.

"Rural services have always been an important part of what we do, but we have never done a good job of building awareness about our services," Gress said. "This initiative is a way of informing the agricultural community about available vocational rehabilitation services."

Gress said RCS Rural Services staff work individually with farmers and ranchers to identify problem work areas and explore potential solutions. They then provide follow-up to ensure that solutions are achieving the desired result. The relationship between the producer and the RCS consultant is the key to success.

According to Schiwal, the outreach extends to rural communities.

"The economies of rural communities are directly related to success of the farmers and ranchers surrounding them," he said. "Rural Services is having a positive impact on those economies by keeping farmers and ranchers in operation."

To learn more about Rehabilitation Consulting and Services, visit [www.state.nd.us/humanservices/services/disabilities/vr/](http://www.state.nd.us/humanservices/services/disabilities/vr/) or call the nearest regional office: Bismarck 328-8800, Devils Lake 665-2235, Dickinson 227-7600, Fargo 298-4459, Grand Forks 795-3100, Jamestown 253-6388, Minot 857-8643, or Williston 774-4662.

---

This article was provided by the North Dakota Department of Human Services.

---

## AMS offers help with farm financial problems

The North Dakota State University Extension Service reports that farm profit in the Red River Valley - one of the world's most fertile agricultural areas - fell nearly 50 percent in 2005. In the northeastern quarter of the state, producers on average suffered an 80 percent drop in net farm income last year compared to 2004.

An analysis of farm operations enrolled in the Adult Farm Management Program in four counties - Benson, Cavalier, Nelson and Ramsey - showed net farm income plunged from \$42,648 in 2004 to \$7,709 last year. That

same analysis showed that fuel costs had skyrocketed 35 percent; fertilizer costs were up 26 percent and chemical costs were up 22 percent. At the same time, wheat prices were down 6 percent with yields down 18 percent.

The drop in net farm income seems to correspond with a recent increase in farm loan delinquencies in the areas of the state mentioned above. Help is available. The Agricultural Mediation Service has staff experienced in solving farm financial problems.

Call toll-free (800) 642-4752



## North Dakota Mediation Minute

is published by

**THE NORTH DAKOTA  
DEPARTMENT OF AGRICULTURE**

AGRICULTURE COMMISSIONER  
ROGER JOHNSON

### **North Dakota Agricultural Mediation Service**

Program Manager  
Ken Junkert

Administrator  
Tom Silbernagel

### **North Dakota Credit Review Board**

Marilyn Aarsvold, Blanchard  
Elwood "Woody" Barth, Solen  
Paul Burtman, Wildrose  
Russ Erickson, Grand Forks  
David Rustebakke, Grand Forks  
George Wald, Dickinson

This newsletter is provided free-of-charge to NDAMS clients, agricultural credit providers, federal agricultural agencies and other interested persons. Please address all correspondence to:

Agricultural Mediation Service  
ND Department of Agriculture  
600 E. Boulevard Ave.  
Department 602  
Bismarck, ND 58505-0020  
(701) 328-4158  
(800) 642-4752  
FAX: (701) 328-4567  
www.agdepartment.com

### **Editor**

Ted Quanrud  
(701) 328-2233  
tquanrud@state.nd.us

# BND loan program provides funds for waste management

The Livestock Waste Management System Loan Program, available through the Bank of North Dakota (BND) provides low interest financing to livestock producers for installing waste management facilities. Eligible facilities include small or medium animal feeding operations that require renovation or relocation to fully address surface and/or ground water impacts.

**Borrower** - An eligible borrower is any livestock producer in North Dakota who has been approved by the North Dakota Department of Health to install a waste management system.

**Funding limit** - BND will utilize the State Revolving Loan Fund that allows up to \$100,000 per borrower, for this program.

**Use of proceeds** - The loan may be used to buy materials and/or services for the design or construction of an approved waste management system.

**Interest rate** - The borrower's interest rate is fixed at 5.50 percent for 10 years. BND will net 5.25 percent with the lead lender receiving a .25 percent service fee.

**Application process** - Application by a lead lender is required to apply for BND's loan participation in addition to the North Dakota Department of Health application. Submit these applications along with the required documentation indicated on the BND application. Lead lender is responsible for servicing the loan.

**Term** - The term of a loan may not exceed 10 years.

**Collateral** - Adequate collateral will be required.

**Equity requirements** - Each loan will be reviewed on its own merits.

**Credit criteria** - The borrower must meet bank's standard credit criteria including demonstrated ability to repay all debt.

**Fees** - All fees and loan costs in connection with a loan application and loan closing must be paid by the borrower. An origination fee of 1 percent (\$250 minimum) shall also be paid by the applicant.

For more information about this program or other Bank of North Dakota programs, contact:

Bank of North Dakota  
700 E. Main Ave  
PO Box 5509  
Bismarck ND 58502-5509  
(701) 328-5672 or (800) 472-2166 ext. 5672  
TDD (800) 643-3916

## Mediation available for crop insurance disputes

Many producers are unaware that mediation can be used to resolve federal crop insurance disputes. The basic provisions (Sec. 20) of the common crop insurance policy contain information on requesting mediation with an insurance company. Since the information is in the insurance policy, most companies do not inform policy holders of their right to request mediation. For more information, call the Agricultural Mediation Service, toll-free, at (800) 642-4752.

## *A mediation success story*

# Negotiation resolves LDP dispute

**Context:** The Farm Service Agency (FSA) county office sees up to 300 people a day. Many are applying for loan deficiency payments (LDP), most of which are processed without incident. Producers choose to take a LDP to make up for low commodity prices and because they already have previous liens or too many loans on their farms. Occasionally, however, an applicant is refused the LDP due to a lack of usable commodities on which to base the LDP.

In February 1999, an elderly producer applied for an LDP payment. Unfortunately, he misunderstood the procedure for receiving the payment. Instead of applying for the LDP, receiving an approval, and then bringing his stocks to the grain elevator, he did the reverse. He drove to the grain elevator, sold his stock, and then immediately drove 23 miles to the county office to claim his LDP. His application was refused as the grain had already been sold. The producer could not understand why he was refused the LDP and asked for mediation. The producer was an elder member of a long-established German-speaking farming community, so a language barrier contributed to both his difficulty understanding the decision and the office's difficulty in assisting him and explaining their actions to him. Until the mediation, the producer had only dealt with the office via telephone.

**Intervention:** The FSA county office contacted the state Agricultural Mediation Program, which then assigned a mediator to the case. The mediator arranged for the producer and the county office director to meet in her office. During this face-to-face meeting, the office director was able to take the time to review the producer's overall situation. By

meticulously questioning and discussing the state of his farm with the producer, the director discovered the producer held other grain stocks that could also be used to qualify for LDP, provided he followed the procedure for doing so in the future.

**Outcome:** This producer received the LDP, which helped him get through tight times. As stated by the mediator involved, "before the mediation, he was out some money but now he isn't." The producer, who had been confused and angered, walked away satisfied. He continues to work with the county office, and now has a clearer understanding of how to qualify for FSA assistance.

**Cost/Benefit:** As the FSA officer director noted, if the office staff and manager had taken the time to more carefully work with the producer, the case "would never have gone to mediation." But the director also was adamant that these things do happen when USDA county offices are under-resourced and overwhelmed. In this case, mediation worked as a safety valve to ensure that FSA could perform its central mission to serve and assist farmers. It also raised awareness of the need to take time with each applicant. The mediator

believes that there was value added through the mediation, as the producer had been distrustful of the county office. The mediation provided a third party "to clarify and repeat and to validate" what the county director told the producer. The mediation also enabled a longer discussion than is often possible in a busy county office.

This case also raised awareness of special needs when the client's first language is not English. Given the combination of the crushing workload and the language difference, this producer's need for slow, repeated explanations had been difficult to accommodate. By having the presence of a mediator, the producer had more confidence in the county office's instructions and decision. A less positive outcome to this case might have impacted negatively on the German-speaking community's views of this office and FSA in general. Most importantly, a farmer from a significant community was able to use FSA assistance to continue farming.

---

This story was provided by  
the USDA Conflict Prevention  
and Resolution Center

---



Larry Smith

## Meet the staff

Larry G Smith brings a background of farm and ranch work, vocational ag education and ag lending to his job as a negotiator with the North Dakota Agricultural Mediation Service.

Larry joined AMS in 1984 at Oakes, covering southeast and south central North Dakota for 19 years. In 2003, he shifted his area of operation to the northwest and central sections of the state. He now lives in Garrison.

# Administrator's corner . . .

Disaster assistance for U.S. agriculture has a long history. During the 1970's and parts of the 1980's and 1990's, standing disaster legislation protected major, field crop producers who were enrolled in commodity programs. The federal crop insurance program was small. Since then, despite major crop insurance reforms and significant growth in insured acres in the federal crop insurance program, Congress has continued to pass ad hoc disaster assistance measures in reaction to drought and other adverse events.

In an attempt to move away from ad hoc disaster programs and provide a safety net of risk protection for non-insurable crops, the Noninsured Crop Disaster Assistance Program (NAP) was authorized under the federal Crop Insurance Reform Act of 1994. NAP is now fully funded and provides a level of coverage similar to catastrophic risk protection crop insurance.

Government outlays for disaster assistance vary dramatically from year to year, depending partly on the weather and whatever ad hoc legislation was passed. Outlays were the highest in the late 1990's and the early years of this decade, when there were crop losses and low farm prices.

Disaster legislation is again in front of Congress to cover 2005 losses in North Dakota and other states. Earlier attempts at passing similar measures have failed. Hopefully, adequate support has been found to pass the legislation at this time.



Tom Silbernagel

PRESORTED  
STANDARD  
US Postage Paid  
Bismarck, ND  
Permit 386

**Mediation Minute**  
North Dakota Department of Agriculture  
600 E. Boulevard Ave., Dept. 602  
Bismarck, ND 58505-0020