

Mediation Minute

Summer 2004

Programs, services detailed at AMS seminar

The North Dakota Agricultural Mediation Service (AMS) held its summer training seminar July 20-22 in Bismarck.

The agenda included a presentation on direct and guaranteed loan making and servicing by staff from the state office of the Farm Service Agency and a presentation on available legal services and eligibility guidelines by Legal Services of North Dakota.

Deanna Dailey, program director of the Mental Health Association explained the newly activated 2-1-1 information call center.

AMS staff also heard from Gary Hoffman, the newly hired executive director of the North Dakota Dairy Coalition (see Page 3) about the group's progress and planned activi-



Farm Service Agency loan specialists Dirk Nysveen (left) and Pat Schmitz field questions from AMS staff.

ties. Daryl Dukart, general manager of the Cloverdale Alliance, provided an update on the alliance's hog

expansion program (see Page 2).

The group also toured the Cloverdale Foods processing plant in Mandan.



Credit Review Board meets with AMS

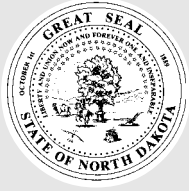
The North Dakota Credit Review Board (CRB) met July 22, in conjunction with the AMS training seminar.

Robert Humann, senior vice president of the Bank of North Dakota (BND) reported on the bank's loan program policies and activity levels.

Coordinators for the North Dakota Farm and Ranch Business Management Program reviewed 2003 farm financial performance and discussed program initiatives for the 2005 Legislature. The CRB also heard from AMS field staff on local agricultural conditions in their respective areas of the state.

CRB members include Marilyn Aarsvold, Blanchard; Elwood "Woody" Barth, Solen; Paul Burtman, Wildrose; Russ Erickson, Grand Forks; David Rustebakke, Grand Forks, and George Wald, Dickinson.

At left: The Bank of North Dakota's Bob Humann outlines the bank's farm loan policies.



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Hoop barns house hundreds of pigs on this Oliver County farm.

Hog program offers producers opportunity to grow, diversify

The Cloverdale Alliance Expansion Program is an outgrowth of the Hog Expansion Working Group formed in 2002 by the North Dakota Department of Agriculture (NDDA) and the North Dakota State University Extension Service.

The working group set a goal of increasing hog numbers in the state by 50,000 through the Cloverdale Growers Alliance which currently delivers 80,000 of the 150,000 hogs annually processed by Cloverdale Foods, Mandan.

Key elements of the program include a minimum guarantee pricing system, a facility leasing program, one-stop loan packaging center, planning, nutrition and technical assistance.

Alliance members are guaranteed a minimum market price for added new production. If the producer sells below the market base price, the guarantee fund supplements the sale price to meet the base price. If the producer sells above base price, the farmer keeps 50 percent of the extra money and 50 percent goes back into the fund. The guarantee price is based on the price of corn and soybean meal at the time the producer buys the feeder pigs.

Hog facility leasing program

Producers are encouraged to utilize existing facilities or low cost facilities. They may have the opportunity to enter into a leasing program that would require minimal upfront investment by leasing hoop barns, a fast growing trend in the industry. The growers alliance and NDDA will provide potential producers with information from various companies that have leasing programs available for hoop barns.

Access to special operating loan fund

The alliance will work with potential producers to help them access operating capital through their local lender or a regional bank. The alliance is working with a major regional lender that has indicated an interest in the program.

One-stop loan packaging center

AMS will help producers with all necessary paperwork to ensure loan applications are in proper form before they are submitted to lenders.

Planning and nutrition assistance

NDDA's marketing services and AMS will help producers develop operational

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Hog program

Continued from page 2

plans for their business. One of the products developed is an interactive cash flow instrument that will be helpful for planning purposes. Planning and nutritional assistance is also available from the NDSU Extension Service, the North Dakota Barley Council, and the North Dakota Dry Pea and Lentil Council.

Technical support

Teams of experts can be called on to provide technical assistance at little or no cost. These teams help identify problems and establish a system for dealing with all phases of the operation including nutrition, health, waste management, facilities and financial management. This facilitation service will be provided by the alliance, NDDA and the NDSU Extension Service.

The Cloverdale Growers Alliance will work with any potential producer or group interested in joining the Alliance. Specific targeted groups include existing alliance growers who want to expand, members of the North Dakota Pork Producers, FFA chapters, local development corporations and organized marketing clubs.

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Administrator's corner

BY JEFF KNUDSON

What is normal? Unfortunately, it certainly appears that extremes will again be the "norm" this year. Relentless drought conditions continued in the southwestern part of the state while northern areas of the state were so wet that nearly two million acres of cropland went unplanted. Unseasonably late freezing temperatures also took their toll on crops in many areas. Still, some areas are reporting crops looking to yield in the average to "bumper" range as of this writing. Come harvest time, it looks as if we'll see large regional swings in crop production and farm financial performance.



Jeff Knudson

We expect increased financial distress in the hard-hit areas and encourage producers to call us for assistance in addressing their financial problems as soon as they are anticipated. For assistance, call (800) 642-4752 (in-state only) or (701) 328-4769.

The opportunities for expanding animal agriculture in North Dakota are gaining attention, and organized efforts are underway to try and capitalize on those opportunities. Last issue featured the North Dakota Dairy Task Force. This issue provides a summary of the Cloverdale Growers Alliance hog expansion initiative.

Hoffman to direct dairy coalition

The North Dakota Dairy Coalition has hired former state dairy commissioner Gary Hoffman, Ashley, as its executive director.

Hoffman has extensive experience in the dairy industry, most recently as industry relations manager for the Midwest Dairy Association. He was North Dakota dairy commissioner from 1991 to 1993.

Agricultural mediation information online

- North Dakota Agricultural Mediation Service:
www.agdepartment.com/Programs/AMS.html
- USDA Agricultural Mediation Programs:
www.fsa.usda.gov/pas/publications/facts/html/mediate03.htm
- USDA Conflict Prevention and Resolution Center:
www.usda.gov/cprc/

N.D. counties meet disaster criteria

Thirty-five North Dakota counties meet the loss requirements for a secretarial disaster designation, according to damage assessment reports completed by the North Dakota Farm Service Agency (FSA).

The state's remaining eighteen counties also qualify for the designation under the "contiguous county" provision. The damage assessment reports and request for approval have been forwarded to Secretary of Agriculture Ann Veneman. If Veneman approves the designation, individual producers will be able to apply for FSA emergency loans to help them recover from production and physical losses due to natural disasters.

In addition to other loan criteria, emergency loans may be made to farmers and ranchers who:

- Own or operate land located in a county declared by the president as a disaster area or designated by the secretary of agriculture as a disaster area;
- Are established family farm operators and have sufficient farming or ranching experience;

- Are citizens or permanent residents of the United States;
- Have suffered at least a 30-percent loss in crop production or a physical loss to livestock, livestock products, real estate, or chattel property;
- Have an acceptable credit history;
- Are unable to receive credit from commercial sources;
- Can provide collateral to secure the loan; and
- Have repayment ability.

Applications for emergency loans must be received within eight months of the county's disaster designation date. Producers and others requiring more information about the FSA Emergency Loan Program should contact their local FSA office or log on to www.fsa.usda.gov to access the online fact sheet.

Producers needing assistance with Emergency Loan eligibility determinations or loan applications can call the AMS at (800) 642-4752.