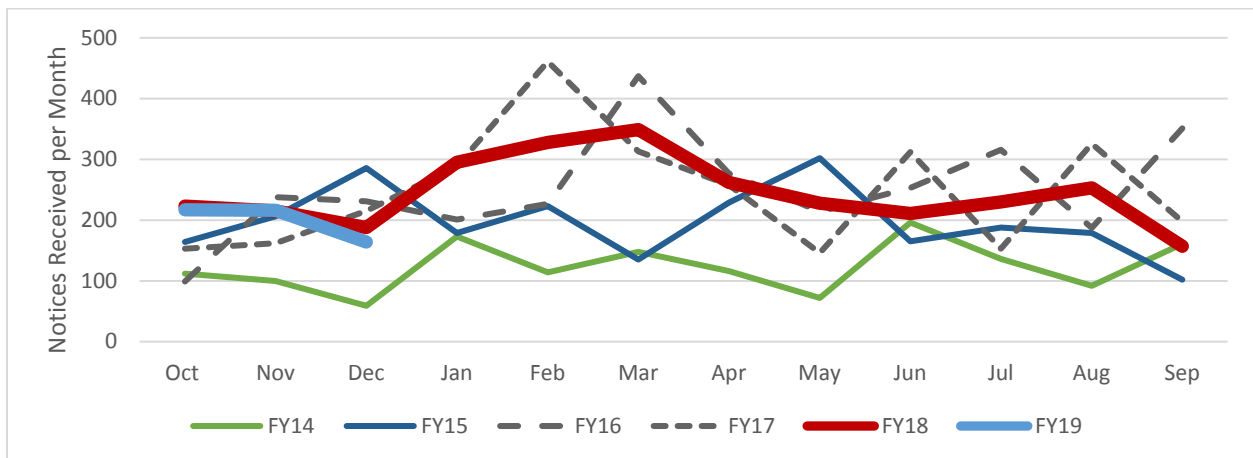
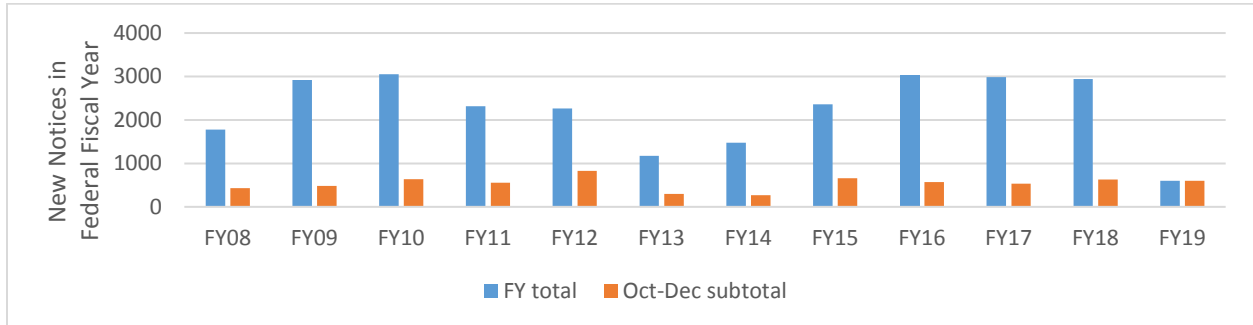


Recent trends, December 2018
Farmer Lender Mediation, Minnesota

- The number of new notices received during FY18 (October thru September) is 2,939 which is slightly less than FY17 (2,986 notices) and FY16 (3,031).
- The number of new notices during October and November in 2018 are slightly less than the same months last year even though financial conditions have not improved.
- Monitoring the news and markets will lead an astute person to conclude that the financial conditions for farmers may be worse than the current rate of notices seems to indicate.
- This more negative outlook reflects four years of low commodity prices and low farm income.
- However, the number of new notices has not increased as one might expect with this poor outlook.
 - It may be that many farmers have a better financial condition compared to previous years so they are weathering the financial headwinds better.
 - It may be that farmers who may be heading toward or in financial difficulty have looked at the outlook and are making decisions to solve their difficulty before the lender reaches the point of sending a notice of default.
 - It may also be that creditors have been trying to work with debtors instead of mailing default notices.
 - It may also be that more notices may be mailed once operating loans are requested this spring.
- While the monthly pattern of new notices continues to fluctuate, the most recent years show higher levels of notices in February and March.
- We will have to wait and see what the rest of the year brings.



For more information, contact Kent Olson, Associate Dean, Extension Center for Community Vitality, University of Minnesota, 612-625-7723, kdolson@umn.edu.