AGRICULTURAL SOLUTIONS
NEGOTIATIONS

Frequently Asked Questions

Q: ***What is mediation?***
A: Mediation is a process focused on resolving conflict between two parties. A mediator does not decide the issues for the parties, but encourages them to communicate and negotiate in hopes of reaching a mutually acceptable solution. The process is voluntary and binding only if the parties can reach a mutual agreement.

Mediation is not arbitration or a court of law. It is a process which focuses on developing alternatives for resolving disputes. Participation does not constitute a waiver of any legal rights. If no solution is reached, the parties are free to proceed with other legal remedies.

Q: ***How successful is mediation?***
A: The Negotiations Program has been very effective in providing borrowers and creditors an alternative means of resolving their financial disputes without litigation or appeals. Historically, over 75 percent of those cases which go through a mediation session are able to reach some sort of agreement. Additionally, many cases were resolved through the negotiation between the parties outside of a formal mediation session. Having one party request mediation is often enough to get the parties communicating so they can work out their own solution to the dispute.

Q: ***What information is needed for mediation?***
A: For the mediation process to be successful, all parties must be aware of their current situation and the options available to resolve their differences. All parties should bring to the mediation whatever information they feel would be necessary to support their interests.

Q: ***Who may request mediation?***
A: Either farm borrowers, their creditors, producers, or the federal agency may request mediation. If you have been notified of mediation as part of an adverse decision from a federal agency, they have already agreed to participate. If the producer agrees to participate, all parties will be contacted to establish a time and place to conduct the mediation session.

Q: ***When can I request farm mediation?***
A: Disputes concerning ag credit issues may be requested at any time. Often it is requested after an ag creditor advises that a loan or an account is delinquent. An ag creditor may be a lending institution, ag supplier, co-op, implement dealer, veterinarian, etc.

Mediation is available as part of USDA programs informal appeal process. USDA will notify you of your right to mediation whenever an adverse decision has been made in regards to your participation in one of their programs. Mediation must be requested within certain time limits stated in the written notice provided by USDA.

Q: ***What issues may be mediated by the Negotiations Program?***
A:
- Ag loans and ag credit issues
- USDA agency adverse decisions
  - Farm Service Agency
  - Natural Resources Conservation Services
  - Risk Management Agency
  - Rural Development
- Fence Repairs

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Q: ***How long will the mediation process take?***
A: The program is designed for quick resolution of disputes. The initial mediation session will be conducted within 40 days of receiving a mediation request. The entire process will not extend past 60 days without the consent of all parties.

Q: ***What happens if a solution is reached?***
A: If a solution is reached during mediation, a tentative agreement is prepared. All parties will sign the agreement and will receive a copy. Agreements may be reviewed by others before becoming final, unless the review period is waved by the parties. The final agreement may be enforced as a legal contract between the parties.

Q: ***Is there a fee?***
A: Each party participating in mediation will be charged $20 per hour for the time spent in the mediation session. The fee has been set to cover a portion of the cost associated with the program and is not intended to exclude anyone from the mediation process. The fee may be waived in whole or in part in cases of financial hardship.

Q: ***What are the advantages to requesting mediation?***
A: Mediation offers several advantages over other remedies in resolving disputes.

The process:

- maintains complete confidentiality
- builds and fosters important business relationships
- allows the parties to reach their own solution
- offers a low-cost alternative to litigation or appeal
- provides an impartial setting to discuss confidential matters
- can be completed in less than 60 days

Q: ***What other services are provided through the Negotiations Program?***
A: Mediation involves much more than just the session itself. While the overall goal of the program is to get the parties to the table to negotiate an agreement, that is just the last step to the process. Before that can happen, it is essential that all the parties are prepared for the process. The Negotiations Program offers services in the form of clinics and financial counseling as part of the mediation program to ensure that the parties find the mediation process successful.

Q: ***What is a clinic and how do I register for one***?
A: Free clinics are held each month at various sites across Nebraska. Professionals provide one-on-one educational consultations on mediation, farm finances, and legal matters. In addition, estate planning, farm succession plans, and other special interest workshops will be held in group sessions at sites across the state. For dates and locations visit: www.negotiations.nebraska.gov. Pre-register by calling the Rural Response Hotline: 800-464-0258

Q: ***How do I request financial counseling and what is involved?***
A: Borrowers who apply for mediation may be offered a free individual financial analysis of their current situation. One of our experienced financial counselors will come to your farm and help you develop a cash flow analysis, balance sheet, and a five year trend to help analyze where you are and how you got there. Financial counseling is a valuable tool to assess your current situation and discover options in preparation for mediation.

Negotiations
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