



Mending Fences

Exploring Options, Generating Solutions

2015 Annual Newsletter

KANSAS AGRICULTURAL MEDIATION SERVICES

800-321-FARM

ksre.k-state.edu/kams
kams@k-state.edu



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Facebook!*

Confidential Legal and Financial Assistance Available for Farmers, Ranchers and Ag Lenders

Kansas Agricultural Mediation Services (KAMS) has served the Kansas agricultural community as the official USDA certified agricultural mediation service since 1988. A toll-free hotline, 800-321-3276, provides confidential assistance and information from trained professionals, including an ag law attorney.

Free calls to KAMS remain confidential and help producers understand their options and alternatives. A staff attorney is available at no cost to answer questions and offer assistance with finding resources. For producers who request services through KAMS, low-cost financial counseling and legal assistance is available.

Mediation is a voluntary, confidential process where agricultural borrowers and creditors can resolve conflicts with loan delinquency or denial. Additionally, KAMS provides dispute resolution for both credit and noncredit issues concerning USDA agencies, including Farm Service Agency Farm and Farm Loan Program denial letters, the Natural Resource Conservation Service decisions, Risk Management Agency concerns and Rural Development issues.

The program's goal is to strengthen family, agricultural and community relationships. As a confidential and safe place to call, KAMS assists producers, lenders and USDA agencies in identifying, exploring and analyzing feasible options for the ag operation. Difficult situations can often be resolved through the use of mediation. Mediation provides a neutral setting where conflicts can be resolved by discovering options, generating possible solutions and restoring confidence.

Call 800-321-FARM (3276) for the KAMS toll-free, confidential hotline. More information can also be found on the KAMS website, ksre.k-state.edu/kams, or by emailing kams@k-state.edu.

**KANSAS AGRICULTURAL
MEDIATION SERVICES**

K-STATE
Research and Extension

Closer Look: A Call to KAMS

This story is representative of a typical call to KAMS, no real names were used.

Miles felt discouraged by the letter he had just received. His local Farm Service Agency (FSA) had denied his application for an operating loan that would allow him to continue at his current capacity. Without the loan, he would not be able to stock many of his pastures with spring calves, which would continue to set him back in the long run. His assigned loan officer had seemed confident that he would qualify for the amount needed to purchase the spring herd, but the letter told him otherwise. Without cattle, Miles knew his options to turn a profit for the year and keep up with his other expenses were few.

Prior to visiting the FSA office, Miles had talked with his banker, but both agreed he needed to work on paying down some of his current debt and look into other options for financing his spring herd. It appeared an FSA loan was no longer an option; however, the letter did address appeal options, including mediation with Kansas Agricultural Mediation Services (KAMS). Miles remembered his banker mentioning KAMS at one time or another, so he decided to give them a call.

"Kansas Agricultural Mediation Services, this is Janel." The voice on the line was warm and friendly. Miles wasn't sure where to start, so he decided to explain his situation. "Miles, we are happy you called today," said Janel. "We can certainly help you with ag credit issues and your calls to us are free and confidential. We have an attorney on staff who can talk to you at no cost over the phone." As Miles was beginning to feel a little relief about his situation, Janel proceeded to tell him more about the KAMS program and how they regularly answered questions regarding agricultural legal and financial concerns. After discussing his situation in more detail, a time was scheduled for Miles to speak with the KAMS staff attorney, Forrest Buhler, by phone.

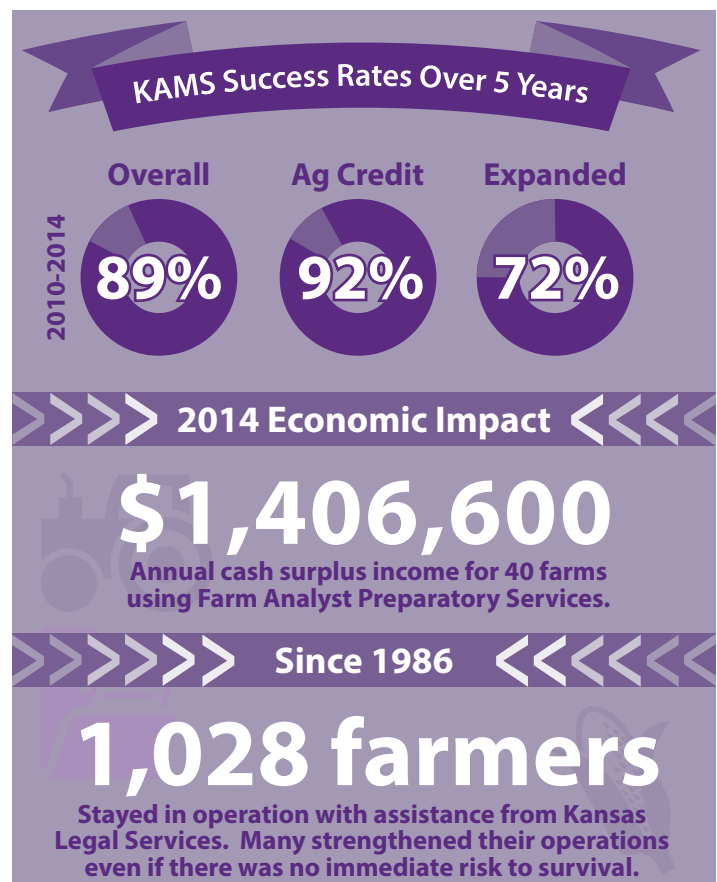
The next morning, Forrest gave Miles a call. They talked about the situation in more depth and Forrest recommended that Miles request a mediation with FSA. "I would also like to refer you to a farm financial analyst and an attorney to prepare for the mediation. Forrest went on to explain that because this was an FSA ag credit case, costs for the support services would be minimal and there would be no cost for a mediator or time at the table. Miles agreed that

he would set up an appointment with the attorney and farm analyst, and was interested to see what improvements might increase his profitability.

A few weeks later, Miles received another friendly call from KAMS, "Hi Miles, this is Char Henton, mediation coordinator for KAMS. We have received all the necessary paperwork to schedule your mediation. Do you have some time to talk about the details?" Miles visited with Char for a few minutes to determine a date and location for the mediation. She suggested a meeting room at the local Extension office to offer a neutral, convenient location for attendees.

Miles was confident the day of the mediation. In addition to the mediator, the farm financial analyst would be attending as a resource person and to run other alternatives brought up during the mediation. The meeting went smoothly and Miles presented some options for loan consolidation and increasing cash flow. These changes would help Miles' operation become more viable and support his ability to pay back debt.

Miles was pleased he had explored his options and made the call to KAMS. The mediation process had helped him in so many ways! He valued the opportunity to work with FSA and the KAMS staff to find solutions for his operation.



Ag Law Attorneys Help Producers Understand Their Legal Rights and Obligations

Kansas Legal Services (KLS) is a non-profit corporation funded in part by the federal Legal Services Corporation. It provides direct legal assistance to more than 20,000 Kansans each year. The Farm Mediation Legal Counseling Program is one of the many services that KLS provides. The program was developed in 1985 when KLS saw a need for agricultural clients who initially came to them for assistance on other topics. KLS has regional offices in Dodge City, Hays, Hutchinson, Wichita, Madison, Pittsburg, Manhattan and Kansas City.

KLS, through the Farm Mediation Legal Counseling Program, has agreed with Kansas Agricultural Mediation Services (KAMS) to provide mediation participants access to direct legal advice at a reduced fee, based on level of income. The KLS attorney's services are partially paid by KAMS, with the producer being responsible for part of the fee based on a co-pay system. The co-pay fees are one of four hourly rates: \$20, \$30, \$50 or \$80 per hour. The hourly rate depends on the farm family income level. The KLS attorney will go over the hourly rate and approximate time the case will take prior to any action being taken. The producer can then decide whether or not to continue with services. There is no charge for the first half hour a producer spends with the KLS attorney.

KLS attorneys are knowledgeable in a wide range of agricultural law issues. They understand the agricultural situation and restructuring troubled debt. They are experienced in advising parties on ag credit issues,

including banks, suppliers, Farm Credit Services, Farm Service Agency Farm Loan Program and other agricultural lenders.

Legal services enhance and support the mediation process and help resolve disputes between ag producers and their creditors. Disputes involving "adverse decisions" from various USDA agencies (i.e., FSA, NRCS) also benefit from the expertise of a KLS attorney.

To access services of KLS, call the KAMS toll-free number, 800-321-3276. The KAMS staff attorney will request some basic information about the ag operation and debt situation. Callers will be referred to the KLS regional office closest to their residence.

KANSAS AGRICULTURAL MEDIATION SERVICES

800-321-FARM

*Over 25 Years of Service
to Kansas Agriculture*

Farm Analyst Program

Facilitating Business Planning for Kansas Ag Producers

Whether it be a natural disaster or other critical circumstance, analysts offer objective and thoughtful ideas without the emotion of events entering the process. A key service provided by farm analysts includes insights into issues concerning the transfer of farms to the next generation and intergenerational business planning.



Talk to a Farm Analyst today!

Farm analysts have access to a vast system of experts with answers to complex questions. Visit agmanager.info, contact your local extension agent, ag lender or Kansas Agricultural Mediation Services (800-321-FARM) to find out more about the farm analyst program.

All information provided by producers is strictly confidential. Fees are reasonable and based upon ability to pay.

Legal Questions?

Call KAMS!

800-321-FARM



Keeping Families Farming: Resources for Farm and Ranch Succession

Kansas Agricultural Mediation Services continues to partner with K-State Research and Extension and other organizations to spread awareness about farm and ranch succession planning. The initiative is part of grant received from the North Central Extension Risk Management Education Center, part of the U.S. Department of Agriculture's National Institute of Food and Agriculture. During winter 2015, five conferences on succession planning were held at various locations around the state. The conferences focused on family dynamics, communications, business entities, transfer of power, and financial and legal concerns families need to consider when developing their plan.

Other components of the grant include a website with succession resources available in a variety of formats, including webinars, videos and slide shows. Users can navigate through introductory resources like "Transition Planning: 12 Steps to Keep the Family Farming" to more topic focused areas such as estate planning or "FamilyTALK." The website is available at k-state.edu/kams/succession.

Extension professionals, trained as succession planning facilitators, will be available to guide families as they develop their own unique succession plan. Facilitators are a neutral resource person that can assist families as they move through the planning steps and cultivate options for making their plan successful. Farm and ranch succession planning facilitators are not yet available. For updates on facilitator availability visit the link at the succession website: k-state.edu/kams/succession/facilitation.

Kansas Agricultural Mediation Services, K-State Research and Extension and many organizations around the state will continue to support ag families as they make important decisions for passing down their farm or ranch. Take the first step and open up the conversation about your succession plan today!

**Succession Planning
Resources**
k-state.edu/kams/succession



Strategies FOR THE Ag Business

Continuing a Legacy

Beginning the conversation and making a plan for transitioning the operation can be difficult, but these topics should be considered when planning for succession:

- Type of farm transfer (sale, gift, will) and tax implications.
- Transferring assets and management at a gradual pace to allow for a smooth transition between generations.
- Setting up a partnership, corporation or LLC for separation of management and ownership of the operation.
- Retirement expenses.
- Trusts to offer financial security for surviving spouses and children.

The KAMS staff attorney strongly encourages those transitioning the operation to consult with a tax advisor and an attorney specializing in estate law.



USDA is an equal opportunity provider and employer.

Kansas State University Agricultural Experiment Station and Cooperative Extension Service

K-State Research and Extension is an equal opportunity provider and employer. Issued in furtherance of Cooperative Extension Work, Acts of May 8 and June 30, 1914, as amended. Kansas State University, County Extension Councils, Extension Districts, and United States Department of Agriculture Cooperating, John D. Floros, Director.