

Step by Step

Farm Debt Mediation Scheme

The Farm Debt Mediation Scheme helps farmers and other primary producers struggling with debt. A neutral and independent mediator can help a farmer and their creditors work through debt issues.

Step 1

A farmer or creditor requests mediation. The farmer can request at any time, the creditor can only request mediation when the farmer is in default on debt. The request must be made in writing.

(Documents can be found on the MPI, AMINZ or the Resolution Institutes Websites.)



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Step 2

A farmer can apply for a 10 day extension within 5 working days of receiving a request to mediate.



Step 3

Once mediation is accepted, the farmer selects 3 authorised mediators from either MPI, AMINZ or RI website list. The creditor then selects 1 of the 3 and makes contact to arrange their service.



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Step 4

If the mediator declines, then the creditor can choose another mediator from the list of 3. Once a mediator accepts, they then arrange a pre-mediation meeting with both parties.



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Step 5

A procedure agreement between parties sets out as to how the mediation will work. How the costs will be paid must be agreed up front as part of the procedure agreement.



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Step 6

The farmer and the creditor share the costs of mediation, but the farmer's costs are capped at \$2000 excl GST. Note that the farmer and creditor have to still pay their own costs – accountants, travel, etc.



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Step 7

The mediation takes place in accordance with the procedure agreement.



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Step 8

The Mediation Hardship Fund is for farmers in extreme hardship. It can be applied to for costs associated with the mediation, including mediator costs, travel and professional services.



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Step 9

A binding mediation agreement is signed by both parties. There is a 10 day cooling off period post signing for parties to withdraw.

