



As Seen On Forbes: American Farm Bankruptcies Are On The Rise

As seen on Forbes by ReallInvestmentAdvice.com's Jesse Colombo: "[Here's Why More American Farms Are Going Bankrupt.](#)"

A report [came out](#) this week showing that U.S. farm bankruptcies are on the rise due to falling agricultural product prices as well as rising interest rates:

The increase in Chapter 12 filings reflects low prices for corn, soybeans, milk and even beef. The situation for most farmers has worsened since June under retaliatory tariffs that have closed the Chinese market for soybeans and damaged exports of milk and pork.

Farmers use Chapter 12 bankruptcy because it combines the simplicity of Chapter 13 bankruptcy — usually used by individuals — and the higher debt levels allowed with Chapter 11 bankruptcy — usually used by corporations. The Chapter 12 process typically allows for repayment of debt over three years.

Mark Miedtke, the president of Citizens State Bank in Hayfield, Minn., said bankruptcy hasn't reared its head for borrowers in his area of southeast Minnesota, but farmers are struggling.

"Dairy farmers are having the most problems right now," Miedtke said. "Grain farmers have had low prices for the past three years but high yields have helped them through. We're just waiting for a turnaround. We're waiting for the tariff problem to go away."

This chart shows how farm bankruptcies have been increasing since 2014:

Farm bankruptcy on the rise

The number of farm bankruptcies in the 12 months ending in June were more than double the number of bankruptcies over the same period in 2013 and 2014, both in Minnesota and across the region.

Chapter 12 bankruptcies over the previous 12 months from June of each year

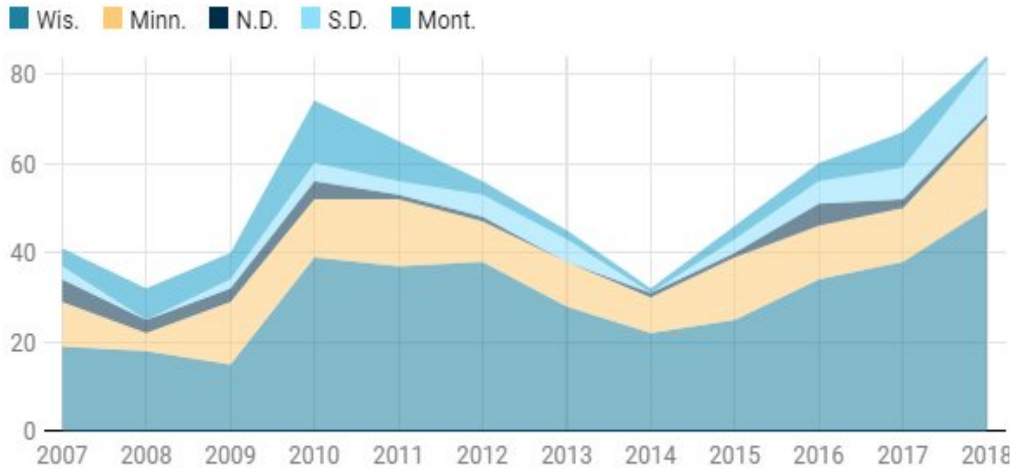


Chart: Raymond Grumney, Star Tribune • Source: United States Courts • [Get the data](#)

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