

Serving Agricultural Workers with Disabilities through State Vocational Rehabilitation Services

I. Introduction

It is estimated that at least 700,000 U.S. agricultural producers and their family members have a disability.¹ This represents a significant number of potential state vocational rehabilitation (VR) clients involved in agriculture.

Most farms and ranches function as “sole proprietorships,”² thus making these producers candidates for VR’s self-employment-related services. However, self-employment cases are atypical for most vocational rehabilitation counselors. Using 2008 and 2009 Rehabilitation Services Administration (RSA) 911 case data, Ipsen and Swicegood³ found that VR closures to self-employment hovered in the 2% range, far below the national self-employment rates for people with and without disabilities⁴. Few VR counselors are well versed in issues of self-employment, and even fewer are adept in agricultural self-employment cases.

It should be noted that while the agricultural producers addressed by this paper are self-employed, the term “self-employment” may be construed in different ways in regard to VR services. Since the given producers are already functioning in established enterprises, certain common VR “self-employment” requirements, such as business plans and feasibility studies, are generally not needed unless the financial health of the existing agricultural enterprise is questionable. For the most part, the agricultural producers addressed by this paper are primarily in need of assistive technology and technical consulting services in order to continue their occupations.

For VR counselors who serve agricultural clients, there are special challenges. They must determine if the existing agricultural operation constitutes a viable employment goal. In addition, the Workforce Innovational Opportunity Act (WIOA) requires that clients earn at least minimum wage for successful case closure⁵, and accurately determining such for agricultural operations can be difficult. In addition, agricultural assistive technology and modifications can be expensive, and VR resources are limited.

¹ C. D. Miller and R. A. Aherin. The Prevalence of Disabilities in the U.S. Farm Population. *Journal of Agricultural Safety and Health* 24(4) (2018): 243-260.

² N. Key. Do Most U.S. Farms Really Lose Money? Taxation and Farm Income Underreporting. *Journal of Agricultural and Applied Economics* (2019), 1–18.

³ C. Ipsen and G. Swicegood. Rural and urban VR self-employment outcomes. *Journal of Vocational Rehabilitation* 46 (2017) 97–105.

⁴ Office of Disability Employment Policy (2013). Self-employment for people with disabilities. Washington, DC: Department of Labor. Retrieved from <http://www.dol.gov/odep/pdf/2014StartUp.pdf>.

⁵ <http://www.wintac.org/topic-areas/resources-and-strategies-for-competitive-integrated-employment#1cie>

The purpose of this publication is twofold:

1. Provide guidance on how VR can serve farmers, ranchers, and other agricultural workers and meet regulatory requirements, especially competitive integrated employment requirements under WIOA
2. Illustrate why VR should serve farmers, ranchers, and other agricultural workers even though the process for doing so may be challenging

This paper focuses on agricultural producers who have at least some ownership of an existing agricultural enterprise. However, some of the principles herein may apply to agricultural workers with disabilities who (1) are employed – without having any ownership – by an agricultural enterprise, or (2) are attempting to start a new agricultural enterprise.

Input for this publication was gathered through an AgrAbility/VR Working Group convened by the National AgrAbility Project (NAP)⁶ and composed of staff members and consultants from the NAP and state AgrAbility projects, state VR agencies, and the Council of State Administrators of Vocational Rehabilitation (CSAVR). Additional input was provided by the Workforce Innovation Technical Assistance Center (WINTAC) and by the Rural Institute (RTC: Rural) at the University of Montana.

II. How Can VR Serve Agricultural Producers?

Two of the most significant challenges in serving agricultural producers are (1) determining the viability of the agricultural enterprise as an employment goal prior to providing VR services, including self-employment-related services, and (2) verifying the profitability of the enterprise to confirm successful case closure.

Some factors that make these determinations challenging include the following:

1. There are a wide variety of agricultural enterprise types and many different patterns of expenses and cash flows within them. For example, dairy farmers typically receive regular (e.g., monthly) payments from milk processors/cooperatives, whereas grain farmers only receive payment for their labor and other expenses when their crops are sold – which may be in a different year than when they were produced. Livestock producers and fruit/vegetable producers have still different expense/income patterns.
2. Agricultural finance is complex. Financial reporting typically involves calculations of factors like depreciation, government payments, cash rent of land, and a large variety of expenses. Since most agricultural operators live on their farms or ranches, it may be difficult to distinguish between business and personal expenses. No single document alone, such as the IRS Schedule F, can explain an enterprise's financial state.

⁶ AgrAbility is a USDA-sponsored program currently functioning in approximately 20 states that focuses on enhancing quality of life for agricultural workers with disabilities. Staff are available to provide on-site assessments and recommendations about assistive technology, work practice modifications, and more.

3. Efforts to minimize tax liabilities are widespread among agricultural producers, and showing negative income is a common way of doing so. This is also sound business practice as it retains needed capital for the operation and growth of the business. While tax evasion is illegal, “tax avoidance” is not, and producers have multiple ways of accomplishing the latter. Take this hypothetical example from *Successful Farming* magazine: “Consider a young farmer who tells his CPA, ‘It’s December 1 and it looks like I’m going to make \$200,000 in profit. What can I do?’ The response will likely be, ‘Buy a \$200,000 tractor before December 31.’”⁷ Producers may also *prepay* expenses for the following year for inputs like fertilizer, feed, and seed, sell livestock or grain at the end of the year and hold the payment until the beginning of the next year, purchase additional livestock at the end of the year, or engage in a variety of other tactics to lower their reported income. One consequence of lowering their taxes may also be that VR may believe that the operation is not viable or profitable (even if it really is) simply because their tax returns show little profit or a loss.
4. Even though cash flow may appear minimal, agricultural operations typically maintain large amounts of capital in land and equipment that in some cases appreciate in value. This enables some operations to remain viable when cash flow is limited. However, though land values may be increasing or livestock herds may be growing (and therefore assets increasing), there is no income from these capital assets until the land or animals are sold.
5. Agricultural producers typically have little control over the cost of their inputs or the sale prices of their products. Prices are subject to external factors such as the weather, downturns in the economy, and political influences, including trade wars, etc. It may be difficult to assess accurately the viability and/or profitability of an enterprise without considering such factors.
6. Farmers and ranchers may engage in bartering or may consume their own commodities, such as livestock, eggs, vegetables, etc. These are forms of “income” that are often not reported for tax purposes. For example, a family may consume one or two head of beef per year that might have a value of \$1,500 - \$3,000 if purchased off-farm. Other income-offsetting assets might include vehicle use or wood (or even corn) used for heating.
7. Agricultural producers typically do not participate in unemployment insurance programs, and thus wage information is not available through those sources.
8. Income might be invested back into the enterprise instead of generating cash, which may make wages appear lower than they actually are.
9. Agricultural producers often have off-farm employment – in many cases to receive health insurance benefits or build retirement assets. This can complicate the computation of income and serve as an incentive for producers to show a loss on agricultural operations in order to lower overall tax burdens.

⁷ <https://www.agriculture.com/farm-management/finances-accounting/six-tax-tips-for-farmers-to-avoid>

10. Another approach to minimize the tax base is to have several family members become part owners, each receiving a portion of income, thus spreading it over a larger number of people.

Recommendations for determining the *viability/financial health* of an agricultural enterprise

In determining the viability/financial health of any agricultural enterprise as an employment goal, VR must decide if the operation justifies the investment of taxpayer dollars or if it is insolvent or perhaps merely a “hobby farm” that is not a primary means of employment. Even if, on the surface, the enterprise appears financially questionable, some important considerations include (1) How is the disability affecting current financial outcomes? and (2) How would the provision of services, including assistive technology, affect financial outcomes? Some specific considerations:

- How long does it take to complete tasks?
- How much of that time is lost because of impaired mobility, the need to rest, or other limitations?
- How could assistance (AT) improve productivity?
- How does the disability currently affect profitability?

Following are two examples of how two VR state agencies currently undertake agricultural viability/financial health assessments.

Example 1:

- A VR agency in the Great Plains utilizes the consulting services of a retired individual with 40 years of lending experience and 30 years’ experience as an agricultural lending officer who is also the owner of a farm and cattle feed lot. A VR Counselor refers a client to the consultant for a financial viability assessment if the individual is self-employed and in need of accommodation to maintain their employment. The client provides three years of tax returns and a financial statement listing all debts and assets. (Among other uses, such documents are needed to help identify “hidden” income – such pre-paid future expenses – which would not be evident on tax forms alone.)
- The consultant’s viability report considers the following categories: size of business, financial structure, working capital, assets, leverage (debt to asset ratio), and tax returns. The business’s strengths and weaknesses are summarized, and the assessment is concluded with a determination of the business’s viability. If the business is determined not to be viable, and in turn VR cannot support it, VR refers the client to resources to improve his/her financial situation and offers VR services for alternative vocational objectives.
- This VR agency does not have a specific formula for determining financial viability, and it should be noted that banks also utilize somewhat flexible criteria when considering a loan to an agricultural business. The viability report topics are explored prior to making an educated determination on the viability of the business. The “debt to asset ratio” is one indicator of the ability of a business to survive into the future. Caution is needed

when that number approaches 50%. On the other hand, there may be a good reason the debt is above 50% – possibly due to an investment with a potentially quick return or due to unexpected expenses. In such cases, the individual may be in good standing and should be able to come through the negative year. The agency uses three years of taxes due to the possible flexibility of income over the years. As previously indicated, self-employed individuals sometimes utilize expenses to show lower earnings, which does not necessarily mean the business is not doing well. This is where an understanding of finance and agricultural business is very helpful to be able to ascertain what the individual’s true financial situation entails.

- This VR agency does not require the agricultural producer to provide a business plan.

Example 2:

- A Midwestern VR agency maintains a “farm team” composed of counselors within the agency who have farming backgrounds and/or their own agricultural operations. These counselors are familiar with the complexities of farm finance and are thus well-equipped to make decisions about the viability of ag enterprises.
- All agricultural cases are opened by a general VR counselor. That counselor then consults with the head of the farm team for assistance in determining viability.
- Again, this VR agency does not require the agricultural producer to provide a business plan.
- Financial needs criteria are applied to see if the producer qualifies for assistive technology assistance through VR or whether the producer’s income is too high.
- Members of the farm team normally visit the operation to help determine viability. Such visits can prove invaluable since the farm backgrounds of the team members enable them to identify signs of the farm’s financial health – even through indirect ways such as the observation of the overall upkeep of the enterprise. On-site visits also help VR counselors determine if the operation is a true income-producing venture and not merely a financially unsustainable hobby farm.
- The farm team collaborates with external groups, such as AgrAbility and Farm Bureau, to provide training to VR counselors in their agency. This includes sponsoring on-farm events where counselors have the opportunity for hands-on experiences with farm equipment and tasks.

It is important to note that neither of the aforementioned state examples require program participants to verify the profitability of the enterprise (i.e., that they have been able to make at least minimum wage) *prior* to receiving VR services for their agricultural enterprises.

Recommendations for verifying the *profitability/competitive wage potential* of an agricultural enterprise

According to WIOA, “competitive employment” is defined as work that:

Is performed on a full-time or part-time basis (including self-employment) and for which an individual is compensated at a rate that -

- A. Is not less than the higher of the rate specified in section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) or the rate required under the applicable State or local minimum wage law for the place of employment;
- B. Is not less than the customary rate paid by the employer for the same or similar work performed by other employees who are not individuals with disabilities and who are similarly situated in similar occupations by the same employer and who have similar training, experience, and skills; and
- C. In the case of an individual who is self-employed, yields an income that is comparable to the income received by other individuals who are not individuals with disabilities and who are self-employed in similar occupations or on similar tasks and who have similar training, experience, and skills; and
- D. Is eligible for the level of benefits provided to other employees;⁸

RSA provides guidance on how to document competitive employment in TECHNICAL ASSISTANCE CIRCULAR - RSA-TAC-19-01 (DATE: December 19, 2019). Sources of information for such documentation include:

1. Unemployment insurance system (UI) wage data match
2. Follow-up survey from program participants
3. Pay check stubs, tax records, W2 form
4. Wage record match
5. Quarterly tax payment forms, such as a IRS form 941
6. Document from employer on company letterhead attesting to an individual's employment status and earnings
7. Self-employment worksheets signed and attested to by program participants
8. Detailed case notes verified by employer and signed by the counselor

Self-employed agricultural workers do not typically participate in unemployment insurance programs, nor would they normally have records from sources 4, 5, or 6 listed above. While they would have tax records, interpretation of such to verify competitive employment can be challenging, given previously stated issues, such as the minimization of income to lower tax burdens.

Therefore, any of the following are considered the most appropriate methods of verifying competitive employment for the purposes of VR agricultural case closures:

1. Follow-up survey from program participants

⁸ <http://www.wintac.org/topic-areas/resources-and-strategies-for-competitive-integrated-employment#1cie>

2. Self-employment worksheets signed and attested to by program participants
3. Detailed case notes verified by employer and signed by the counselor

State agencies may choose to develop specialized surveys or worksheets that request information most relevant to agricultural self-employment.

III. Why Should VR Serve Agricultural Producers?

“The purpose of the Vocational Rehabilitation (VR) Program is to empower individuals with disabilities, particularly individuals with significant disabilities, to achieve high quality employment outcomes to which they aspire and that are consistent with their unique strengths, resources, priorities, concerns, abilities, capabilities, interests and informed choice.”⁹

Agriculture is typically more than a vocation for those who pursue it: for many, it is a lifestyle, often a multi-generational one in which producers already have significant resources invested. Thus, for these individuals, continuing in agriculture clearly fits their “unique strengths, resources, priorities, concerns, abilities, capabilities, interests, and informed choice.”

Their years of investment in agriculture – reflected in time, effort, and capital – make most farmers and ranchers highly motivated to succeed in their enterprises. Indeed, statistics from one state indicate that farmers have a higher successful rehabilitation rate than the general population (98% success rate of AgrAbility consumers).¹⁰

In VR’s efforts to help people with disabilities gain or maintain employment, the following “return to work hierarchy”¹¹ is relevant:

1. Return to work with same employer/same job
2. Return to work with same employer/modified job
3. Return to work with same employer/different job
4. Return to work with new employer/similar job
5. Return to work with new employer/different job
6. Formal training or education (followed by a return to work with a same or new employer)

Farmers, ranchers, and other agricultural workers typically fall into the highest two categories: they remain their own employer, and their job either remains the same or is modified somewhat. They generally have no start-up costs, as would be associated with a new business, nor is there the need for training in a new job, transfer to a new employer, or formal training/education.

⁹ 34 CFR 361.50: Written Policies Governing the Provision of Services for Individuals with Disabilities

¹⁰ Steve Etheridge. “AgrAbility and Vocational Rehabilitation: Working Together to Help Farmers.” AgrAbility National Training Workshop. November 9, 2011.

¹¹ <https://www.dol.gov/owcp/dfec/regs/compliance/DFECfolio/RCHB/part2.htm#002003>

In addition to factors directly related to VR's mission, there are tertiary reasons for supporting agricultural workers, including supporting the local economy and enhancing societal food security.

Case Examples

The following are just a few of many positive outcomes from VR working with farmers, ranchers, and other agricultural workers.

Justin was 20 years old when an automobile collision resulted in paraplegia. At the time, his family operated a 1,600-acre grain farm and a residential construction business. With recommendations from AgrAbility and assistance from the state VR agency, he acquired a lift for one tractor. As his needs changed and farming operation has expanded, VR continued to provide needed services and equipment. Examples include a pickup-mounted lift to reach multiple pieces of equipment, hand controls for a grain-hauling semi-truck, a heavy-duty tracked stand-up wheelchair, ramps for accessing his grain handling facilities, and even a tower-type grain drier that allows Justin to access its controls remotely. Today, Justin and his team farm 1,800 of their own acres and custom-farm another 1,600 acres.

Sandy was diagnosed with multiple sclerosis. Eventually, her medical condition caused her to leave employment as a teacher. She then found herself taking a more active role in the family farm but experienced difficulty completing tasks due to her disability. Sandy was offered the opportunity to obtain a Labrador Retriever from a service dog organization but would be responsible for the cost of training the dog to complete specific farm tasks. Unable to afford the training, she reached out to VR. The VR counselor visited her farm and observed the difficulty she had completing work tasks on her cattle and hay farm. She struggled with chronic fatigue and weakness and was at risk for falling. It was determined that with specialized training, the dog, "Sam," would be able to assist her with retrieving items, carrying buckets, and providing stabilization for her as she walked across the farm terrain. Sam would also provide a layer of protection between her and the cattle while she worked. VR funded the training, and Sam is now her willing and able partner. He accompanies her at all times, and the number of tasks he can do for her continues to grow. Sandy has stated that without Sam she would be unable to handle her chores and fears she would be in constant danger. Sam's specialized training has been the key to her continued ability to be a full contributor to the success of the family farm.

Eric was involved in a pickup truck rollover incident and sustained a high-level spinal cord injury that left him quadriplegic with paralysis from the chest down and impaired movement in his arms and hands. When he returned home from Denver's Craig Hospital, AgrAbility staff began working with him and conducted an assessment of his needs. The state VR agency had never served a farmer having Eric's level of disability. Nonetheless, his determination convinced everyone involved that farming was still his chosen vocation. With VR's help, Eric eventually

acquired modifications to drive his pickup, a power wheelchair, and a lift to get him back into his farming equipment. He now farms 3,500 acres with his family.

Bruce has experienced physical limitations since childhood due to cerebral palsy. Despite those difficulties, farming has been his lifelong occupation. His livelihood was jeopardized when he underwent a surgical procedure on his back. Complications left him dependent on a wheelchair for mobility. Bruce was referred to the state VR agency for assistance in overcoming his new physical barriers. He expressed a strong desire to beat the odds and be able to work independently on his farm. With a referral from VR, Bruce participated in an onsite farm assessment conducted by AgrAbility program staff. Results of the assessment indicated that Bruce would be able to return to many of his farm duties with the aid of adaptive equipment. Recommendations included a pick-up mounted person-lift, an all-terrain wheelchair, and a livestock medication dart gun. Bruce had substantial earnings from his farm, and his income was over VR guidelines for financial assistance. However, over the past year he had purchased a modified vehicle and needed medical items. Those purchases qualified as disability-related expenses and were subtracted from his earnings allowing him to qualify for VR financial assistance. Therefore, the state VR agency authorized the purchase of the recommended farm-related assistive technologies. The lift allows him to access his pickup and his farm equipment. The all-terrain wheelchair allows him to safely traverse his farm ground and feedlot, and the dart gun allows him to medicate a cow without having to wait for assistance from family or neighbors. Bruce is looking forward to another successful farming season in his cattle feedlot and on his 300-acre row crop farm.

Some state VR agencies have produced videos featuring their agricultural customers. These include:

- Nebraska VR: [Cultivating Independence Through Accessible Agriculture](https://youtu.be/nqdxAtvMtEA) (<https://youtu.be/nqdxAtvMtEA>)
- Colorado VR: [Work's Untapped Resource](https://youtu.be/6V-wMlaLbp0) (<https://youtu.be/6V-wMlaLbp0>) An agricultural customer is featured at the beginning and at various points throughout.

Another indication of VR's relevance to agriculture is the significant number of VR staff members who participate in AgrAbility's national and regional workshops and its webinars.

IV. Final recommendations for serving agricultural workers through VR

Because agricultural production may be foreign to many VR counselors and because farm finance is complex, networking to access the expertise of external groups and individuals is essential. Some recommendations include:

- **AgrAbility**, a USDA-sponsored program currently functioning in approximately 20 states, focuses on enhancing quality of life for agricultural workers with disabilities. Staff are

available to provide on-site assessments and recommendations about assistive technology, work practice modifications, and more. www.agrability.org

- **USDA Cooperative Extension Service (CES)** is a nationwide educational network that addresses public needs by providing non-formal continuing education and learning activities to farmers, ranchers, communities, youth, and families throughout the nation. Every county in the country has, or is served by, a CES office. Extension specialists can provide advice on agricultural technology, finance, youth development, health sciences, and many other topics. <https://nifa.usda.gov/cooperative-extension-system>
- **Agricultural finance experts/consultants** can be found in most rural communities to address agricultural matters, including finance. These include staff from USDA's Farm Service Agency (the agency's primary lender), private lending institutions, and agricultural finance agencies, such as farm management companies. Farm Credit Services, a lending cooperative, provides both operating loans and financial advice.
- **SCORE**, the nation's largest network of volunteer, expert business mentors, is a nonprofit organization dedicated to helping small businesses get off the ground, grow, and achieve their goals through education and mentorship. www.score.org
- **Council of State Administrators of Vocational Rehabilitation (CSAVR)** enhances a strong, effective, and efficient national program of public vocational rehabilitation which, in partnership with education, business, and the workforce system, empowers individuals with disabilities to achieve employment, economic self-sufficiency, independence, inclusion and integration into our communities. Concerning VR services for agricultural workers, CSAVR can serve as a resource for connecting VR agencies that have questions with other agencies that can provide guidance and share their practices and procedures. www.csavr.org
- **Workforce Innovation Technical Assistance Center (WINTAC)** is a national center funded to provide training and technical assistance to state vocational rehabilitation agencies and related rehabilitation professionals and service providers to help them develop these fields and processes needed to meet the requirements of the Workforce Innovation and Opportunity Act or WIOA. www.interwork.sdsu.edu/main/wintac
- **Research and Training Center on Disability in Rural Communities (RTC: RURAL)** conducts disability research as part of the Rural Institute at the University of Montana and focuses on areas of health, employment, and community participation and independent living. The center has conducted multiple research projects on VR self-employment in rural areas. <http://rtc.ruralinstitute.umt.edu>
- **Farmer Veteran Coalition** is a nonprofit organization assisting veterans – and currently serving members – of the U.S. Armed Forces to embark on careers in agriculture. It offers consultation services, a fellowship fund to support farmer veterans, and an annual conference. www.farmvetco.org
- **Other possible collaborators** include Small Business Administration (SBA), local and state chambers of commerce, Community Development Block Grant economic

development programs, state board of investments, state department of agriculture, local and state economic development organizations, small business development centers (funded by the SBA), or development finance organizations.

VR agencies may also choose to form their own “farm teams” composed of counselors with direct experience in agriculture or in handling agricultural self-employment cases. Agencies might also seek guidance from other state VR agencies that have successfully served agricultural workers.

V. Final Thoughts

VR cases involving agricultural producers can be challenging and may require knowledge beyond what many VR counselors possess. However, those challenges do not mean that such cases are not worth pursuing or that they are not in the best interest of the VR customer, his/her family, the community, and even society as a whole. Resources are available for helping VR assist agricultural producers with disabilities. Given the substantial investment that most agricultural producers already have in their enterprises and the skills they have acquired – often through decades of experience – VR services should be seriously considered for agricultural producers with disabilities.

For questions and more information on assisting agricultural workers with disabilities, contact the National AgrAbility Project at agrability@agrability.org, 800-825-4264, or www.agrability.org.