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Back to the Future: Farming Again

Eric Schachtler is back farming. Born and raised on a farm in New York, he grew up working around the farm. At age 13 he developed a cyst on his spinal cord that left him with partial paralysis. Using crutches or his wheelchair, however, he continued helping with farm chores.

Following high school graduation, Eric was hired as a file clerk at a nearby Air Force base. He took advantage of every available educational opportunity the Air Force offered and eventually received his Master's Degree in Business Administration. Eric moved into management positions and was supervising the logistics area in 1995 when the Air Force base was closed. He was offered a position in North Carolina where he was a program manager in charge of overhauling aircraft engines.



Eric Schachtler and his dog on his New York farm.

In 2002, when his father had a stroke, Eric took an early retirement and returned home to run the family farm. With his nephew, Chris, they milk 56 cows in a stanchion barn. Eric does the business planning, record and crop management, and field work. A number of circumstances necessitated that Eric apply for and receive Social Security Disability Insurance (SSDI). Eric views this as a temporary arrangement. He intends to be self-sufficient and eventually buy the family farm from his parents through a partnership with his nephew.

Eric believes that the most competitive route for a small dairy farmer is to have robotic milkers. Robotic milkers reduce the labor needed, plus, as Eric says, they show up to milk every day. He also believes that robotics

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will monitor the health of the animal better than a small operator can. He would hope to milk 120 cows with this system.

Realizing that the robotic system is new and innovative, Eric started searching for assistance. The New York AgrAbility Project helped Eric in learning more about the feasibility of using a robotic milking system. He found the New York AgrAbility Team supportive and interested in helping him. Eric sought financial support for funding the purchase of robotic equipment by writing a grant to the New York State Energy Resource Development Authority (NYSERDA). New York AgrAbility helped in the development of his proposal. Unfortunately, his proposal was not funded due to changes in the grant funding priorities. He continues to look for alternative funding resources and welcomes any suggestions or ideas.

Shortly after Eric became involved with AgrAbility, the New York Project was selected as a pilot state for the National AgrAbility Project's Self Employment Assistance Training Initiative. The initiative employed the services of Griffin-Hammis Associates, LLC, to train staff on how to use government resources to develop self employment plans. Griffin-Hammis Associates provided Eric with one-on-one assistance on how Social Security work incentives could be used to help develop capital for his business. As part of the pilot project's objective, New York AgrAbility also assembled a Business Development Team (BDT). The New York AgrAbility BDT is made up of extension farm management experts, rehabilitation personnel, small business educators from the financial industry, benefits planning assistance and outreach analysts (BPAO), and AgrAbility staff. Eric met with the team and received advice on fine-tuning his business plan and in considering alternative enterprises.

To date, Eric has developed short-term and long-term business goals. His short-term plan involves adding a tie-stall barn to his existing barn so he can milk an additional 50 cows. He has secured a conventional loan for building the addition and is presently supervising its construction. The long-range goal is to convert to the robotic system to milk up to 120 cows. He would convert the tie-stall to a robotic system and add another building. The old barn would be used for dry cows and heifers. Eric would use the Social Security (SSA) work incentives to set aside money toward the purchase of the robotic equipment. In addition, the New York AgrAbility Project connected Eric to the state-operated vocational rehabilitation program, which in New York is the Vocational and Educational Services for Individuals with Disabilities (VESID). He anticipates additional support for the robotic system from VESID. As in most complex cases, however, this will be a long-term process requiring an ongoing commitment from both Eric and the AgrAbility staff.

Eric plans to give up his SSDI support and become totally self-supporting. He has no doubts that he will achieve his dream. He says that the New York AgrAbility staff - Eric, Holly, Tamie - and the BDT team have been great. "I couldn't ask for a better team to work with," and, of course, "I couldn't do it without my nephew, Chris, either." With Eric's determination, knowledge, and skills, he will undoubtedly reach his goals. ❖

For more information on automatic milking systems, click here:

www.uwex.edu/uwmril/robot/rmain.htm

"Survey of Management Practices of Farms Using Automatic Milking Systems in North America"

Paper Number: 033018 presented at the 2003 Annual ASAE International Meeting

www.uwex.edu/uwmril/pdf/RoboticMilking/03_ASAE_033018_SurveyManagementPractices.pdf

Self-employment

What is Self-employment?

Self-employment, as defined by the U. S. Department of Labor, means working for profit or fees in one's own business.¹ People in non-metropolitan areas report self-employment at a slightly higher rate than their urban counterparts. In 2000, the Bureau of Labor Statistics in the U. S. Department of Labor reported that approximately 86% of farmers, ranchers, and agricultural managers were self-employed.²

Being self-employed typically means being able to work with risks and uncertainty, factors familiar to farmers and ranchers. While the farmer or rancher has control over his/her work, and can pursue what is enjoyable and satisfying, he/she is also faced with long hours, little free time, fluctuating income, and stress. Added to the day-to-day farming or ranching operations are the fiscal and business responsibilities, such as business planning, product marketing and sales, record management, and tax reporting.

Impact of Disability

Farming and ranching are hazardous occupations. When a farmer or rancher experiences a disability, whether through an injury or health condition, the agricultural operation may easily be affected. The impact of the disability may require operational changes that accommodate the farmer or rancher's limitations. New, different, or adapted equipment may be needed to complete tasks. An alternative enterprise might be considered in order for the farmer or rancher to remain employed in agriculture. Being in farming before a disability occurs has advantages because tasks can be identified that need accommodations. Sometimes, however, an individual has worked outside agriculture but has an agricultural background and sees farming or ranching as a way to return to a gainful occupation.

In some instances, the disability may have affected the individual's ability to support him/herself. Financing accommodations can be problematic if earnings are affected or are nonexistent. The Social Security Administration (SSA) has two benefit programs for people who have disabilities and are unable to be financially self-sufficient. The programs are Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI). SSDI is an insurance program based on payments an individual has made to the SSA Trust Fund. The SSI program provides monthly cash benefits based on economic need and disability.

Resources and Services to Remain in Production Agriculture

When people with a disability want to begin or continue working in agriculture, public services and resources are available to them. The state-operated vocational rehabilitation (VR) program can offer counseling, training/education and rehabilitation technology, among other services, to help the farmer or rancher work in production agriculture. The 1998 Reauthorization of the federal Rehabilitation Act specifically included self-employment as an acceptable work goal and employment outcome. This has led to increased resources and training of VR staff on self-employment. A 2002 study done by the Montana Research and Training Center on Rural Rehabilitation describes numerous state VR programs' services related to self-employment.³

Another resource for farmers and ranchers who receive SSA benefits are the SSA Employment Support Programs. These work incentives, as they are frequently called, help people receiving SSDI or SSI transition back to being financially self-supporting.

The Employment Support Programs or work incentives may be used to:

- help build capital for business or employment needs (e.g., vans, lifts, computer, utility vehicles, etc.),
- retain medical insurance until able to buy independently, and
- increase personal income and quality of life.

The following are abbreviated descriptions of the more frequently used work incentives administered by SSA.

Plan for Achieving Self Support (PASS)

SSI-only* benefit that allows the recipient to set money aside from the SSI check for a specifically defined work goal (e.g., to purchase a utility vehicle to reduce physical exertion while working). The recipient will receive their standard SSI payment plus the money they are setting aside to help reach their work goal.

Property Essential to Self Support (PESS)

SSI-only* benefit that allows the exclusion of resources, such as business equipment, property, and unlimited cash in a small business account. The SSI payment will not be affected by these resources.

Impairment Related Work Expense (IRWE)

Both SSI and SSDI recipients may exclude expenses directly related to the disability (e.g., attendant care, medical devices) that enable them to work and not have their cash benefit affected.

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SSI-only* benefit that allows Medicaid to continue beyond the limit for a cash payment but with an upper limit determined by each state.

Unincurred business expense

SSDI only* benefit that allows business support at no cost to recipient, such as VR-purchased equipment.

Ticket To Work (TTW)

Legislation through the Ticket to Work and Work Incentives Improvement Act that allows recipients to have expedited reinstatement to benefits (should they unsuccessfully attempt work), exclusion from medical reviews and access to Medicaid buy-in programs.

*It should be noted that SSDI beneficiaries might be able to set aside money for a PASS plan to the point of receiving SSI and, therefore, retain eligibility for PASS and other benefits.

Making it Work:

Understanding the Interrelationship Between Self-employment and Disability Programs

When the farmer/rancher believes he/she can attempt to return to gainful work and is willing to lose the SSA benefits, the work incentive programs will provide safeguards along the way to help reach his/her work goal. It is critical that the farmer/rancher understand what effect working would have on benefits and how the various incentives will interact with one another. SSDI and SSI have different sets of policies and laws that are affected by wage and self-employment earnings.

Assistive Technology Notes

Self-employment

As an example, SSDI considers a person gainfully employed after their earnings reach \$800 per month. Therefore, following a trial work period, benefits would cease. SSI, on the other hand, has a graduated formula for reducing the SSI cash benefit until it reaches zero.

To ensure that embarking on the self-employment path does not prematurely affect the disability benefits, the farmer or rancher should have a benefits analysis, develop a business plan, and create a system to report earnings to SSA.

The Employment Support Programs work in such a way as to modify the rules until a person reaches their work goal. A thorough benefits analysis will show the effect of self-employment earnings on benefits. SSA has awarded contracts and trained professionals in each state to provide beneficiaries with benefits analysis.⁴ The contracted services are with Benefits Planning Assistance and Outreach (BPAO) projects.

Whether the farmer is a beginning farmer or one who wants to continue farming, developing a business plan, will provide for a systematic, somewhat predictable plan for the future of the operation. Even though the individual is operating an established farm, a business plan is frequently required by VR and always required by the SSA if he/she is requesting financial assistance through their programs. SSA and VR are like investors in the business. They will be providing resources and funding to start or help the operation move to the next self-sustaining level. A business plan will also help the farmer/rancher (1) prepare for increased income and how and when it will affect SSA benefits, (2) provide for planned acquisition of equipment, and (3) strategize for the growth of the business and the eventual loss of benefits.

Resources that provide technical assistance in writing a business plan are available through a variety of sources. The Cooperative Extension Service in each state has extensive information on

farm management, business planning and feasibility, market analysis and strategies, and risk management.⁵

Sixty-three Small Business Development Centers (SBDC) in the U.S. and territories provide assistance in business plan development, marketing strategies, and financing.⁶ To underline the importance of business planning, the SSA has even stated that when the PASS incentive is used for self-employment, the SSA recipient should consider including a request for money for development of a business plan.⁷ A business plan coupled with a benefits analysis that reflects projected self-employment earnings should provide assurances that SSA benefits will not be interrupted prior to when planned.

Another critical factor in being able to use the employment support programs of the SSA successfully is the ability to consistently monitor self-employment earnings, follow the SSA reporting procedures, and adhere to the business plan. Achieving this requires the diligence of the individual and an adequate user-friendly reporting mechanism.

Summary

Self-employment is a way of life for a majority of farmers and ranchers. Being self-sufficient is highly valued in the agricultural culture. Having a disability in and of itself, should not prevent the individual from entering or remaining in production agriculture. Using the available resources described in this article in a systematic and well-organized manner should lead to successful employment. In addition, when both the state VR program and the SSA administration successfully help the farmer or rancher attain gainful employment, everyone wins. The farmer has meaningful and productive employment. VR is reimbursed by SSA for returning the recipient to work and SSA reduces its expenditures on disability benefits and receives self-employment taxes from the rehabilitated farmer or rancher.❖

New York is Back

The New York AgrAbility Project is back! After a four year hiatus, armed with some returning staff, and new staff as well, New York AgrAbility has been off and running strong since May 2002.

As noted previously, New York applied and was chosen as one of three pilot states for the National AgrAbility Project Self-Employment Assistance Training Project. With funding from this project, New York chose to host a series of self-employment training sessions aimed at empowering AgrAbility clients interested in exploring self-employment opportunities and professionals from systems that provide employment assistance to people with disabilities.

In addition to teaching us more about federal and state employment assistance and benefits programs, our trainer, Cary Griffin of Griffin-Hammis Associates, provided direction to New York staff on developing a Business Development Team (BDT). This team was, for New York AgrAbility, one of the most valuable outcomes of our participation in the training project. Our BDT brings together an extraordinary group of 12 talented, enthusiastic, energetic, and knowledgeable professionals versed in the areas of disability, rehabilitation, benefits planning, and small business planning and development. Through this strong network of individuals, we provide continued professional education in areas relating to disability and self-employment. With AgrAbility clients, the BDT also explores self-employment opportunities to offer them assistance with brainstorming, identifying and accessing resources, and formulating and writing business plans.

The New York AgrAbility Project looks forward to a bright future of providing our clients with the comprehensive and customized services needed to remain or become gainfully self-employed in production agriculture. The New York program has developed and continues to develop a strong network of collaborators with a wide range of expertise, and we pride ourselves on the enthusiasm being created for the New York AgrAbility Project as a result of these collaborations. We plan to continue with our successes in establishing New York AgrAbility as a long-term support program.❖

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Eric Hallman, *Cornell Agricultural Health & Safety Program Director, Agricultural Safety Specialist*. Eric has been with Cornell University for 13 years, having worked in various capacities at the university level and in private industry. Eric is the principal investigator for the AgrAbility project, a position he held with the previous AgrAbility grant.

Holly Cestero, *New York AgrAbility Case Manager*. A resident of the Finger Lakes area of New York State, Holly completed her undergraduate work in Sociology and has a Master's of Science degree in Health Education. She has several years of experience working with individuals with disabilities both in educational and human service settings. She began working with the New York AgrAbility Project in May 2003.



Pictured left to right: Pat O'Hara, Jane Boyd, Tamie Pushlar, Holly Cestero, and Eric Hallman (John Ball is not pictured).

Patrick O'Hara, *Case Manager*. Pat grew up in a large farm family in Otsego County, New York. He graduated from Cornell University School of Agriculture and Life Sciences with a major in agricultural economics. Pat has a Master's degree in Social Work from the State University of New York at Albany and the University College Dublin. He is a Certified Licensed Social Worker with the State of New York.

Jane Boyd, *Case Manager*. A Certified Occupational Health nurse, Jane was part of the first AgrAbility Project in New York State and is proud to be part of the continuing program. Her medical and disability management skills are helpful to newly disabled farmers trying to heal as well as come to terms with how they are going to cope. Growing up on a small Jersey farm and having a brother in farming also give Jane a farmer's perspective appreciated by her clients.

Tamie Pushlar, *Case Manager*. A Certified Social Worker, Tamie began working for the New York AgrAbility Project in September 2003. She graduated from Ithaca College with a Bachelor's of Arts degree in Sociology and graduated from the University of South Carolina with a Master's degree in Social Work. Tamie comes to AgrAbility with a personal knowledge of farming.

John Ball, *Consultant Occupational Therapist*. John has experience in Adult Rehabilitation and Pediatrics. He has been performing agricultural worksite evaluations for the past 14 years.

References & Resources

References & Resources

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- ⁴ Benefits Planning, Assistance, and Outreach (BPAO) Projects, <<http://www.ssa.gov/work/ServiceProviders/bpaofactsheet.html>>.
- ⁵ Cooperative State Research, Education, and Extension Service (CSREES), <<http://www.reeusda.gov/1700/statepartners/usa.htm>>.
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- Research and Training Center on Disability in Rural Communities, The University of Montana Rural Institute, 52 Corbin Hall, Missoula, MT 59812-7056, <<http://rtc.ruralinstitute.umt.edu>>.
- SSA Redbook, <http://www.ssa.gov/work/ResourcesToolkit/redbook_page.html>.
- The Small Business and Self Employment Service, Job Accommodations Network, Office of Disability Employment Policy, <<http://www.jan.wvu.edu/sbses/index.htm>>.

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The **AgrAbility Project** promotes success in agriculture for individuals with disabilities and their families through on-site assistance and educational resources. For additional information on the **National AgrAbility Project** or for a current list of state project sites, addresses and telephone numbers contact:

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460 Henry Mall
Madison, WI 53706
866-259-6280 or 608-262-5166

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