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Farm employee management: employment eligibility verification – the basics of form I-9 compliance

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Within three days of a new employee's start date, all employers are required to complete a Form I-9 – Employment Eligibility Verification for each new employee. This is nothing new; it has been the law since 1986. But many employers, especially farm employers, have questions about the correct procedures for completion and filing of this form. This article will provide a few of the basics.

The Department of Homeland Security, U.S. Citizenship and Immigration Services (USCIS), requires that the Form I-9 be completed for every single employee, regardless of national origin, within three days after the start of employment. The Form I-9 is not to be completed during the employment selection (application or interview) phase – only at the actual beginning

of employment. As stated in the USCIS M-274 Handbook for Employers: "You may not begin the Form I-9 process until you offer an individual a job and he or she accepts your offer."

Verify that you have the most current version of the Form I-9. Go to www.uscis.gov and click on the FORMS tab. Scroll down to the link for the Form I-9. There the employer will find sublinks for the form, detailed instructions, and the M-274 Handbook for Employers – a 69-page manual full of details and answers to questions. Print the Form I-9 and present it to the new employee any time after the acceptance of the job offer and the first day of employment. This gives the employee the opportunity to review the Lists of Acceptable Documents (List A, List B and List C), located on the last page of the I-9 form.

If the employee cannot complete Section 1 without assistance or needs the Form I-9 translated, this assistance

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Handbook updates
 For those of you subscribing to the handbook, the following new updates are included.

- Historic Hog and Lamb Prices** – B2-10 (4 pages)
- Lean Hog Basis** – B2-41 (1 page)
- Live Cattle Basis** – B2-42 (1 page)
- Feeder Cattle Basis** – B2-43 (1 page)
- Feeder Steer-Heifer Price Spread** – B2-45 (1 page)

Please add these files to your handbook and remove the out-of-date material.

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may be provided. The assistant preparer must read/translate the form to the employee, assist the employee in completing Section 1, and have the employee sign or mark the form where indicated. The assisting person must then complete the Preparer and/or Translator Certification block on Form I-9.

By or on the first day of employment, the new employee should complete Section 1 of the Form I-9 and present document(s) so that the employer can complete Section 2 - Employer Review and Certification.

Take heed of the notice found on both the form itself as well as the instructions. It is illegal to use the form to discriminate against individuals, and employers cannot specify which document(s) they will accept from an employee. The refusal to hire individuals because documents provided have a future expiration date may also constitute illegal discrimination.

Employees may present any one document from List A, or a combination of one document from List B plus one document from List C. The employee must be allowed to choose which document(s) to present from the Lists of Acceptable Documents.

In completing Section 2, the employer examines the document(s) presented by the employee. Employers may only accept unexpired documents. Employers are not required to be forensic document examiners. The employer must accept any documents from the Lists of Acceptable Documents that (1) reasonably appear on their face to be genuine and (2) appear to relate to the person presenting them. After making the document examination and completing the information requested in Section 2, the employer signs the certification.

A common question is whether the employer should make copies of documents presented by employees. There is no reason to do so, and this practice only serves to increase the burden on the employer. If the employer chooses to copy documents, this must be done for each and every employee, and then the copies must be stored with the Form I-9 documents. Because there is no purpose or advantage to making copies of documents presented, it is generally recommended to not engage in this practice.

Form I-9s are not employment records – they are an immigration law compliance form. Therefore, Form I-9s should be filed and stored separately from other employment-related documents. One methodology for the typical farm employer is to maintain two folders or three-ring binders. In the first binder, maintain Form I-9s for all current employees. In the second binder, maintain Form I-9s for past employees – for one year after the date employment is terminated. To facilitate the disposal of these past-employee Form I-9s, this second binder should have 12 tabs, one for each month. When the employment is terminated, move that employee's Form I-9 from the first binder to the second binder, placing it in the section for the month of termination. When 12 months have passed since employment termination, dispose of the former employee Form I-9s. With this simple methodology, the employer always has a properly maintained Form I-9 file on hand.

For more details and information regarding Form I-9 compliance, the best resource is the website for the U.S. Citizen and Immigration Services – www.uscis.gov. There are instructions, handbooks, frequently-asked-questions and more. As always, feel free to contact me with any of your farm employee management questions.



2012 Iowa Farm and Rural Life Poll: Land Values

by Laura Sternweis, extension communications and J. Gordon Arbuckle, Jr., extension sociologist, 515-294-1497, arbuckle@iastate.edu

The 2012 Iowa Farm and Rural Life Poll was recently released, and this year it focused on a number of topics of likely interest to AgDM readers. “The steady and steep increase in agricultural land values has been a topic of much discussion in recent years, and the 2012 Farm Poll aimed to get a handle on what Iowa farmers think about the issue,” said J. Gordon Arbuckle, Jr., a sociologist with Iowa State University Extension and Outreach. “I worked with (ISU Extension and Outreach agricultural economist) Mike Duffy, who is the leading expert on the subject, to develop some questions to try to understand where farmers think land markets are heading, what has been driving increases and what some of the impacts on farming have been.”

Many farmers appear to believe that farmland is overvalued and eventually the market bubble will burst, according to the 2012 Iowa Farm and Rural Life Poll.

“The value of farmland in Iowa and across the Midwest has risen steeply over the past few years,” said Arbuckle. “We wanted to know what farmers are thinking about those increases.” Arbuckle co-directs the annual Iowa Farm and Rural Life Poll with Paul Lasley, another ISU Extension and Outreach sociologist.

“In the 2012 Farm Poll, we asked farmers to share their perspectives regarding the future trajectory of land values and farm income, as well as their opinions about the relative importance of several factors that are driving increases in land values,” Arbuckle said. “We also asked them to rate how much they agreed or disagreed with a series of statements about potential impacts of rising land values on farming.”

Arbuckle said 1,296 farmers participated in the 2012 Farm Poll and on average they were 64

years old. Fifty-one percent earned more than half of their income from farming, while an additional 18 percent earned between 26 and 50 percent of their household income from the farm operation.

The future of land values

As shown in Table 1, more than two-thirds of the farmers agreed that current land values are too high, cannot be sustained and are much higher than the land is actually worth. Forty-eight percent agreed that the farmland market is in a bubble that will eventually burst and lead to major drops in values. Only 10 percent believed that land values would continue to rise at double-digit rates.

“Other farmers were more optimistic,” Arbuckle said. “Forty-one percent believed land values would continue to rise, though at a slower pace. Further, 60 percent of survey participants agreed that quality Iowa cropland is still a good investment.”

Drivers of increases

Farmers were asked to rate the influence of several factors on the recent escalation of land values, shown in Table 2. “They indicated that high grain prices are the strongest driver of increases in land values, followed by competition between local farmers who want to expand their land base,” Arbuckle explained.

Farmers also see the investment potential of farmland as a driver for rising land values, Arbuckle continued. “About two-thirds of farmers indicated that low returns on other types of investments are a strong or very strong influence. Other investment-related factors were rated somewhat lower on the influence scale: about half of farmers rated the influence of individual investors or institutional investors as strong or very strong.”

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Arbuckle noted that other factors were rated as strongly influential by half or fewer farmers: greed (52 percent), increased global demand for food (50 percent) and ethanol production (45 percent). The lowest-rated factor was purchase of land for hunting or recreational purposes.

Impacts of increases

“We also asked farmers several questions to gauge their opinions about how increases in land prices have impacted farming,” Arbuckle said. “Ninety-six percent agreed that rising land values have driven land rents higher, and just over 90 percent agreed that increases have made it tougher for the next generation to enter farming.”

Eighty-two percent agreed that it is more difficult to expand operations, and 70 percent agreed that increases have made it harder to pass farms to the next generation, he said.

Seventy-one percent of survey respondents agreed that rising land prices have intensified farming, and 43 percent believed that high land prices have led to “mining” of the soil, Arbuckle

said. “Farmers don’t seem to believe that increases in land value are resulting in better land stewardship: just 23 percent of farmers agreed that commitment to soil conservation has increased along with land values; nearly half — 49 percent — disagreed.”

Two survey items focused specifically on potential benefits, Arbuckle said. Fifty-four percent of respondents indicated that non-operator landowners have benefited from increases in land values more than farmers have. Forty percent of farmers agreed that land value increases have benefitted farmers.

About the Iowa Farm and Rural Life Poll

Conducted every year since its establishment in 1982, the Iowa Farm and Rural Life Poll is the longest-running survey of its kind in the nation. ISU Extension and Outreach, the Iowa Agriculture and Home Economics Experiment Station, the Iowa Department of Agriculture and Land Stewardship, and the Iowa Agricultural Statistics Service are partners in the Farm Poll effort.

Table 1. The future of land values

	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
	— Percentage —				
Land values are too high and cannot be sustained at these levels	2	7	23	40	28
Land values are currently much higher than the land is actually worth	2	11	22	43	23
Quality Iowa cropland is still a good investment	2	8	30	50	10
The farmland market is in a bubble that will eventually burst and lead to <u>major</u> drops in values	1	15	36	38	10
Land values will continue to climb, but more slowly	1	12	46	39	2
Crop prices will stay level or continue to increase over the next five years	4	31	48	15	2
Farmer net income will stay level or continue to increase over the next five years	5	36	44	15	1
Land values will continue to climb at double-digit rates	9	41	40	8	2

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The 2012 Iowa Farm and Rural Life Poll summary report (PM 3036) and previous Iowa Farm and Rural Life Poll summary and topical reports are available to download from the ISU Extension

and Outreach Online Store, <https://store.extension.iastate.edu/>, and Extension Sociology, <http://www.soc.iastate.edu/extension/farm-poll2012.html>.

Table 2. Factors driving land value increases

	No Influence	Slight Influence	Moderate Influence	Strong Influence	Very Strong Influence
	— Percentage —				
High grain prices.....	1	2	13	56	29
Competition between neighboring/local farmers who want to expand their land base.....	1	6	22	50	22
Low returns on other investments make investment in land more attractive.....	1	8	25	47	19
Individual investors purchasing farmland.....	1	13	36	41	10
Increased global demand for food.....	1	10	39	43	7
Greed.....	8	18	21	28	24
Institutional investors purchasing farmland.....	2	17	34	35	13
Ethanol production.....	2	16	38	36	9
Land purchased for hunting or recreational uses.....	11	43	29	14	4

Spotlight on ISU Extension Agricultural and Natural Resources websites

Agriculture and Natural Resources has many statewide resources to help Iowans. A few are listed. For more, visit the ANR website at: <http://www.extension.iastate.edu/ag/>.

Ag Decision Maker (AgDM)

www.extension.iastate.edu/agdm/

Agricultural economics and business resources to help make sound management decisions for your business or farming operation.

Ag Marketing Resource Center (AgMRC)

www.agmrc.org/

The Agricultural Marketing Resource Center is an electronic, national resource for producers interested in value-added agriculture. Browse commodities and products, investigate market

and industry trends, study business creation and operation, read research results and locate value-added resources.

Agricultural Management E-School (A.M.E.S.)

www.extension.iastate.edu/ames/

In-depth self-study courses and resource centers that provide management education to agricultural producers, educators and service providers.

Annie's Project

www.extension.iastate.edu/annie/

An educational program dedicated to strengthening women's roles in the modern farm enterprise.

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Beginning Farmer Center

www.extension.iastate.edu/bfc/

Coordinating education programs and service for beginning farmer efforts statewide and assessing the needs of beginning and retiring farmers. Providing support in financial management and planning, legal issues and tax laws, and many more services.

Center for Agricultural Law and Taxation

www.calt.iastate.edu/

Providing timely, critically objective information to producers, professionals and agribusinesses concerning the application of important developments in agricultural law and taxation and a primary source of professional educational training in agricultural law and taxation.

Farm Energy Initiative

farmenergy.exnet.iastate.edu/

Helping to make agriculture more energy efficient. Tips and pointers on equipment maintenance and operation, farmstead electric use and fuel efficiency.

Farm Financial Planning Program

www.extension.iastate.edu/farmanalysis

One-on-one financial counseling, computerized

analysis of the farm business and referral to other extension programs or outside services that may be useful in farm financial planning.

Iowa Beef Center

www.iowabeefcenter.org/

Working to develop and deliver the latest in research-based information to improve the profitability and vitality of Iowa's beef industry.

Iowa Pork Industry Center

www.ipic.iastate.edu/

Works to promote efficient pork production technologies in Iowa, maintain Iowa's pork industry leadership and strengthen rural development efforts.

Iowa Land Value Survey

www.extension.iastate.edu/topic/landvalue/

The only statewide survey that collects information on land values in each of Iowa's 99 counties. Current and historical data available.

Value-Added Agriculture Program

www.extension.iastate.edu/valueaddedag

The Value Added Agriculture Program (VAAP) provides unbiased, science-based information to help establish or expand agricultural-related businesses in Iowa.

Updates, continued from page 1

Internet Updates

The following information files have been added or updated on www.extension.iastate.edu/agdm.

Computing a Cropland Cash Rental Rate – C2-20 (4 pages)

Flexible Farm Lease Agreements – C2-21 (4 pages)

Current Profitability

The following files and tools have been updated on www.extension.iastate.edu/agdm/info/outlook.html.

Corn Profitability – A1-85

Soybean Profitability – A1-86

Iowa Cash Corn and Soybean Prices – A2-11

Ethanol Profitability – D1-10

Biodiesel Profitability – D1-15

Returns for Farrow-to-Finish – B1-30

Returns for Weaned Pigs – B1-33

Returns for Steer Calves – B1-35

Returns for Yearling Steers – B1-35

... and justice for all

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Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or call 202-720-5964.

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