

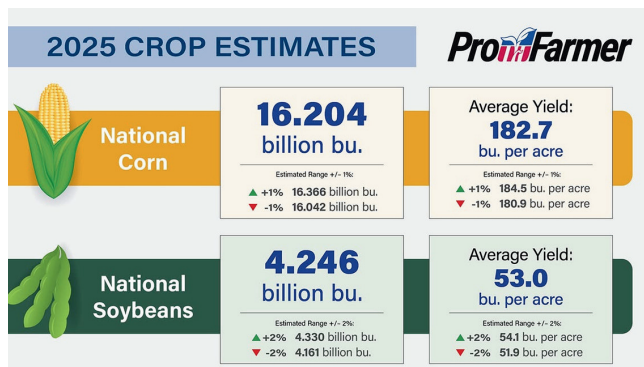
September 2025

THE HOUSEHOLDER BULLETIN

The Monthly Newsletter of Leut Services, P.C.

CROP TOUR COMPLETE

September is here, which means harvest is near. In August, hundreds of crop scouts gathered together to travel the Midwest to collect data from +2,000 fields for 2025 harvest estimates. The Pro Farmer calculations were then compared to the USDA-NASS estimates released in August. Pro Farmer found that the U.S. is set to turn out a big corn crop, but maybe not as big as the USDA estimates. Pro Farmer found an average of 182.7 bu. per acre, while the USDA projects 188.8. The Pro Farmer estimate yields roughly 16 billion bushels, while the USDA's estimate brings in 16.7 billion bushels. Disease concerns, like southern rust and tar spot, suppressed Pro Farmer estimates. Soybean estimates are up as well from 2024. Pro Farmer estimates the soybean yield average at 53 bu. per acre with a total of 4.24 billion bushels, while USDA comes in at 53.6 bu. per acre, totaling 4.29 billion bushels. Due to the welcomed moisture this season, South Dakota is expected to hit record yield potential with beans. Pod counts were 15.9% above 2024 and higher than the three-year average (970.1 pods).



A NOTE FROM YOUR Attorney

As I was looking back on past newsletters (to make sure I did not repeat a recipe), I was reminded of last September's column on **integrity**. Integrity is such an important topic, I decided a refresher was in order. Integrity is the quality of being honest and having a strong moral compass. It means you honor your word, and if you cannot do so, you take responsibility for your actions. Integrity is a shared value at Leut Services; we practice it and expect our clients to do the same. Our policy states that if you cannot uphold our shared values, you will be removed from our client roster and prohibited from attending our events. (Trust me, you do not want to get kicked out of this club.) We live in a world that is obsessed with image. Today's culture rewards looking good, having it all, and the quickest path to success. However, an image built without integrity has a foundation of sand. But an image built on integrity has a foundation of stone. *(continued on next page)*

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EMISSION EXEMPTION UPHELD

The federal District Court of the District of Columbia ruled that a 2018 EPA rule exempting livestock and poultry farms from certain routine air emissions reporting requirements did not violate the Emergency Planning and Community Right-to-Know Act (EPCRA). EPCRA requires certain facilities to inform the public about releases of “extremely hazardous substances” exceeding a specific threshold. In 2018, Congress passed the Fair Agricultural Reporting Method which exempted “air emissions from animal waste” from public notification requirements under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). That same year, the EPA established a rule to exempt animal waste air emissions from EPCRA’s public notification requirements, reasoning that because these emissions were no longer subject to CERCLA notice requirements, they no longer met EPCRA notification requirements. The Court rejected the environmental organizations’ argument that EPA had misinterpreted CERCLA.

CROP INSURANCE CHANGES

The One Big Beautiful Bill created significant enhancements to the federal crop insurance program. Qualifying farmers will receive additional subsidy percentage points, starting at 15 points for the first two years, gradually decreasing over the next decade. Area-based crop insurance programs, such as Whole Farm Revenue Protection, will see their maximum coverage level rise from 85% to 90%. There will be an increase in premium support for options like the Supplemental Coverage Option, Enhanced Coverage Option, and other programs. According to the USDA, these updates will apply to all crops with sale closing dates on or after July 1, 2025.

(Note from Your Attorney continued)

To uphold and maintain integrity, there are three things to focus on: being true to yourself, your mentors, and your community.

- Being true to yourself means being authentic. If you feel the need to hide your actions from others, you are not living an authentic life.
- Being true to your mentors involves those who invest in you, whether business professionals or lifelong friends; these people hold you accountable. If your actions would disappoint them, you are not living a life of integrity.
- Being true to your community includes everyone affected by your actions, like friends, family, neighbors, coworkers, customers, clients, etc. You cannot trick people into believing you are a better person than you really are. Eventually, the show will be over, and the damage will be irreparable.

In this age of image, the fastest way to the top will not keep you there. If you have to hide your actions, you lack integrity. And if you choose to remain silent to protect someone else’s image, you lack integrity. Those people will eventually fall, and when they do, it’s a long way to the bottom. *People of integrity expect to be believed. They also know time is on their side and are willing to wait.* Ann Landers. As always, **Consult Your Attorney,**

Kiera Laddy

CROP FRAUD

Two South Dakota men have been ordered to pay \$4 million to resolve violations arising from crop insurance fraud. James Garrett and Levi Garrett, father and son, farm in Sully County, South Dakota. In 2018, they falsely certified planting 2,200 acres of sunflowers. They wrongly received a payment for these so-called planted acres. In 2019, James Garrett falsely certified that he planted 47.5 acres of corn and wrongly received a payment for these so-called planted acres. In sum, the duo received more than \$1.3 million in payments.

DID YOU KNOW *with Grandpa Joe*

Glendale Colony was settled in 1949 by members of Bon Homme Colony (MB). According to The Hutterites in America, six colonies were established that year in the U.S., a record at the time (and probably still today). Spink and Beadle Counties had been notoriously hostile to the Hutterites, but that did not stop members from Glendale, Riverside, or Pearl Creek. Glendale raises turkeys, hogs, cattle, and crops. Glendale has three daughters: Thunderbird, Sunset, and Camrose. *Pictures by Joanita Kant. You may notice some familiar faces...*



*Mike in the
blacksmith
shop.*

*Pr. Joe and
Paul at the
dairy.*



*Glendale
girls
playing
house.*

SUBMIT MEMBERSHIP LIST BY SEPT. 26

For Colonies enrolled in the farm program, please submit an updated membership list to your local FSA office by Friday, September 26. If you have had any marriages since you last submitted your membership list, make sure the women have processed their name change at the Social Security Office. This typically requires an in-person appointment, so plan accordingly. Up-to-date membership lists are needed to calculate farm program payments. Additionally, please notify them of any new rented crop ground by providing a copy of the lease.

NO MORE WIND AND SUN

USDA will stop allocating taxpayer dollars for solar panels and wind turbines on productive farmland. Secretary of Agriculture Brooke Rollins criticized the Biden Administration's Inflation Reduction Act for creating "market-distorting incentives" that eliminate productive farmland. About 424,000 acres of rural land were affected by wind turbines and solar farms in 2020, according to the USDA. The USDA has invested than \$2 billion into renewable energy projects, like solar and wind, through its Rural Energy for America Program (REAP) grant. Going forward, wind and solar projects will no longer qualify for the Business and Industry Guaranteed Loan program, and the REAP loans and grants will be limited to small-scale projects. Solar projects containing Chinese components and projects on 'certified cropland' will be ineligible for REAP.

THE CODE

Lately, I have been asked whether an attorney charges to talk on the phone. The answer is...yes. If an attorney's hourly rate is \$300 and you have a 5–7-minute phone call, you will likely see a charge of \$30 on your bill. Attorneys charge for their time, usually in six-minute increments (a practice that dates back to the 1920s). A short phone call or follow-up email takes us away from other work. At a law firm, **Time = Money**. When you are charged for a phone call, email, or correspondence, you are not being charged to pay the phone or internet bill. We sell a product that you can't always see or put your hands on. The products an attorney sells are time, knowledge, and experience. This also applies to preparing documents and ensuring required filings are submitted when due. If we did not charge for our time, knowledge, and expertise, we would be giving ourselves away. Keeping our doors (and phones) open for you would be unsustainable. We like to charge a flat fee for most services, but not all services fall into this category. At Leut Services, we offer an On-Call Fee of \$5,000. This is a yearly flat fee that covers all correspondence (call, text, email, voicemail, carrier pigeon) between Leut Services and the Client, which typically includes the entire Bench/Board. It is like pre-paying to talk to us, and in the long run, it may be more affordable for you. You can make that phone call without wondering what it will cost you.

NEW CEO

The National Pork Board has named David Newman as the new CEO, effective September 1. He joined the organization in June 2023, where he served as the Senior Vice President of Market Growth. He previously served as a National Pork Board director, including president, member of the U.S. Meat Export Federation executive committee, and faculty member at North Dakota State University and Arkansas State University. He obtained his Ph.D. in meat and animal science from NDSU. His family also operates Newman Family Farms in Missouri.

DEATHS AT A DAIRY

In August, six males, ranging from 17 to 50 years old, tragically died due to suspected gas exposure at Prospect Valley Dairy, located near Keenesburg, Colorado. Some of the individuals were related. Preliminary reports indicate a pipe burst, which resulted in high levels of hydrogen sulfide (H₂S). Hydrogen sulfide naturally occurs in petroleum and natural gas. In small doses, it can irritate the eyes and lungs, but significant exposure in confined spaces can be deadly. The cause and manner of death are still under investigation.

ANOTHER JBS PLANT

JBS USA has agreed to purchase a production facility in Ankeny, Iowa, formerly owned by Hy-Vee. This facility is set to become JBS's largest ready-to-eat bacon and sausage plant in the U.S. JBS plans to invest \$100 million into the 186,000 square-foot facility. The plant is projected to be fully operational by mid-2026 and is expected to create about 400 jobs. JBS is also building a fresh sausage production facility in Perry, Iowa, which will supply raw material to the Ankeny facility. It also operates plants in Council Bluffs, Marshalltown, and Ottumwa, Iowa.

END OF AN ERA

In August, the Greater Sioux Falls Chamber of Commerce announced the conclusion of the Sioux Empire Livestock Show. The show began in 1954 and had an estimated \$3 million economic impact. Originally known as the Sioux Empire Farm Show, it was renamed to the Sioux Empire Livestock Show (SELS) in 2018. The SELS featured a variety of activities, including cattle, lamb, goat, and hog shows, consignment sales, the Sale of Champions, and livestock judging contests. It also honored farm families and agricultural professionals. The January 2025 show marked the final event.

SALES TAX 101

By Kellie Ripp

Sales tax— no one's favorite topic, so let's tackle it head-on. 😊 South Dakota does not have corporate (business) or personal income tax, so the government relies on sales tax for income. Without taxes, we would not have access to government-funded programs like law enforcement, schools, libraries, or parks. Currently, the state sales tax is 4.2%; however, there is also a city sales tax. The percentage varies depending on which city you live in. For example, Dimock charges a 2% city sales tax, so your invoice from LS shows a 6.2% charge for sales tax. You must get a sales tax license from the South Dakota Department of Revenue to charge sales tax. Sales tax should be applied when the customer receives the product or service. All businesses collect sales tax, unless you sell tax-exempt products or services. Here are some common tax-exempt products in the agricultural industry:

- Containers used to package ag products that will be sold.
- Commercial fertilizers, liquid or solid.
 - Must be 500 pounds or more in a single sale
- Feeds and feed supplements for cattle, hogs, and poultry

Audits by the DOR are very common amongst our clientele. One common mistake that appears in DOR audits is the seller not charging sales tax to the purchaser. Even though the seller did not charge the tax, it is still the purchaser's responsibility to calculate and pay the sales tax (I know, confusing!). Becoming an expert on sales tax takes time and years of experience. Join us on **Thursday, November 13**, for our second Seminar for Stewards, to hear from the expert himself. We will have staff from the South Dakota DOR speak on sales, use, and contractors' excise tax in addition to handling audits. We hope to see you there!

5 Common Mistakes in Paying Sales Tax

- 1 Not paying state and city sales tax.
- 2 Know what is and is not tax-exempt. Visit the DOR website for specific examples.
- 3 Buyers are still responsible for sales tax, even if the seller did not charge it on the invoice.
- 4 The seller doesn't charge sales tax to an out-of-state buyer who lacks an exemption certificate.
- 5 Maintain organized records to be prepared for audits. The proof is in the pudding.

LEUT APPRECIATION DAY RECAP

A big thank you to everyone who attended our first appreciation day. We will do it again next year!



RECIPE OF THE MONTH

Glazed Honeycrisp Apple Fritter Cake

Cake

1 stick butter, melted
½ cup brown sugar
½ cup apple butter (or applesauce)
½ cup Greek yogurt
2 eggs
2 tsp vanilla extract
2 ¼ cup flour
1 tsp cinnamon
1 tsp baking powder
1 tsp baking soda
1 tsp salt

Apple Mixture

2 Honeycrisp apples, chopped (about 2 cups)

½ cup brown sugar
1 tsp cinnamon
1 tsp vanilla

Glaze

1 cup powdered sugar
2-3 tbs milk
1 tbs vanilla extract
flaky sea salt

Preheat oven to 350° F. Line a 9×9-inch baking pan with parchment paper. In a large bowl, stir together the butter, brown sugar, apple butter, yogurt, eggs, and vanilla until combined. Add the flour, cinnamon, baking powder, baking soda, and salt. Mix until combined. In a separate bowl, combine the chopped apples, brown sugar, cinnamon, and vanilla. Spread half the batter evenly into the prepared dish. Spoon over about 1/2 of the apples, then cover the apples with the remaining batter. Top with the remaining apple mixture. Bake for 55-60 minutes, until just set. Let cool for 10 minutes while you make the glaze. Whisk all ingredients in a bowl, adding milk as needed to thin. Drizzle the glaze over the cake. Sprinkle with sea salt. Serve the cake warm or at room temperature. *Recipe by Half Baked Harvest.*

EVENTS & ACTIVITIES

Sept. 8 // When Pigs Fly SDPPC Clay Shooting Tournament
Sept. 11// SDSU SE Research Farm Field Day
Oct. 3 // EQIP and CSP Deadline
Oct. 13 // Native American Day
Nov. 7-8 // South Dakota Local Foods Conference (Aberdeen)
Nov. 13 // Sales Tax Seminar (The Shoffice)
Dec. 4 // AgOutlook (Sioux Falls)

CONTACT US

Kiera Leddy, Attorney

kledddy@leutservicespc.com
605-924-0271

Daneen Petty, Legal Assistant & Compliance Manager

dpetty@leutservicespc.com
702-277-3401

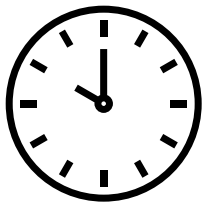
Kellie Ripp, Legal Assistant & Client Coordinator

kripp@leutservicespc.com
605-656-8344

SALES TAX 101



Thursday,
November
13



10AM - 3PM



THE SHOFFICE

SEMINARS — FOR — STEWARDS

HUTTERITE COLONY PERSONNEL ONLY

\$50/PERSON

LUNCH, REFRESHMENTS &
HANDOUTS PROVIDED

RSVP BY NOV. 7

TO KELLIE RIPP AT
KRIPP@LEUTSERVICESPC.COM

TOPICS OF DISCUSSION

SALES & USE TAX
CONTRACTORS' EXCISE TAX
WHAT TO EXPECT IN A DOR AUDIT
BEST PRACTICES FOR RECORD KEEPING
SPECIFIC TO SOUTH DAKOTA ONLY

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