

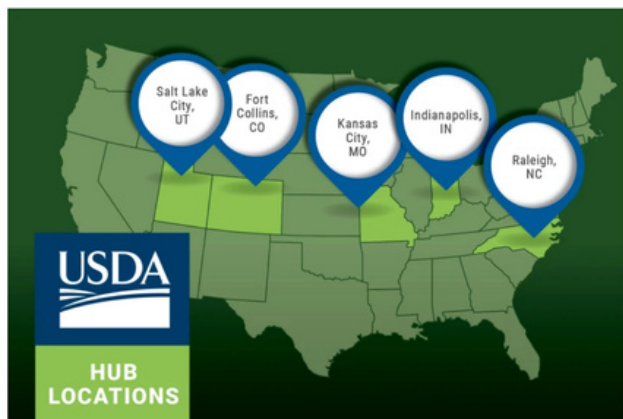
August 2025

# THE HOUSEHOLDER BULLETIN

The Monthly Newsletter of Leut Services, P.C.

## USDA REORG

The Trump administration announced its plans to reorganize the USDA, which includes relocating 2,000 jobs out of Washington, D.C. While the USDA employs about 4,600 people in the D.C. area, around 90% of its workforce is located outside of D.C. These jobs will be distributed across five regions: Raleigh, NC; Kansas City, MO; Indianapolis, IN; Ft. Collins, CO; and Salt Lake City, UT. Secretary of Agriculture Brooke Rollins said one of the reorganization's goals is to move USDA employees closer to the farmers they support. The announcement caught many USDA employees and members of Congress off guard. Secretary Rollins also noted that in the last four years, the USDA workforce grew by 8% and salaries rose by 14.5%. Given that D.C. has one of the highest living costs in the U.S., individuals relocating will likely find a more affordable cost of living wherever they move. Since Trump took office, approximately 15,300 people have accepted the USDA's deferred resignation program.



The USDA's reorganization plan lists out five hubs where personnel and regional offices are slated to go. These hubs are Salt Lake City, Utah; Fort Collins, Colo.; Kansas City, Mo.; Indianapolis, Ind.; and Raleigh, N.C. (Farm Journal)

## A NOTE FROM YOUR Attorney

Each one of us is like a hot air balloon. If you have ever taken a ride in one, you've likely noticed the sandbags that serve as weights. These sandbags can either stop you from tipping over or prevent you from reaching great heights. In our lives, we all carry sandbags, and most of the time, they are in the form of people. They can keep you from reaching your full potential, or they can provide guidance, advice, and keep you levelheaded. I am a firm believer that we each are the average of the five people we spend the most time with. If your inner circle includes negative, lazy, or immoral people, you will turn into one yourself. But if you surround yourself with positive, proactive, and ambitious people, you are likely to embody those qualities. There is no question that in 2024, I removed a group of sandbags from my life, but this summer, I added some back in. The other day, someone made a comment that I spoil my employees. While I prefer the term *(continued on next page)*

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# INDEPENDENT CONTRACTOR VS. EMPLOYEE

By Rane Stehly

When bringing on a new team member, you must know if they are an independent contractor or an employee. The two labels are very similar, and it can be tough to know which one applies. While there is no “black and white” definition for who is an independent contractor and who is an employee, there are factors to determine which group your new team member falls into. Let’s walk through some of those factors:

**Control:** Independent contractors usually work when they want and for whom they want. On the other hand, employees are directed by management in the what, how, when, and where.

**Relationship:** Independent contractors are usually only hired for a short-term job. When that job is over, the contract ends. Employees continue to work for their employer over a period of time, and are not tied to a specific job or project.

**Training:** Independent contractors are not usually trained by an employer. Meanwhile, employees are trained by the employer on the job site to do the job a certain way.

**Equipment & Tools:** Independent contractors use their own tools and supplies. Employees use equipment and supplies provided by their employer.

**Pay:** Independent contractor pay is reported on a Form 1099; employees are on a payroll and receive a Form W-2. Independent contractors are not typically offered benefits other than pay. Employees receive benefits like vacation, health insurance, etc.

**Services:** Independent contractors can make their services available to the public, while an employee’s services are usually only available to their employer.

**Ending the Job:** Independent contractors usually must complete what they promised to do. Employees generally can quit whenever.

*(Note from Your Attorney continued)*

“Buttering up,” I concur. To be an effective leader, it is essential to have faith in people and their potential. And as a manager, if you treat people well, it pays dividends. In May, I outlined our big projects for the summer, and there were some wide-eyed expressions. There was some uncertainty about our capabilities, but we worked strategically, we worked together, and we got it done. While we may be a little team, we do big things. At Leut Services, we recognize the potential not only in our team but also in our clients. We consistently seek opportunities for our clients, whether that involves securing a grant, purchasing land, or acquiring a business. We want our clients to grow and be successful because if they are not successful, we cannot be successful. We also like to celebrate our wins and “butter up” our clients. We hope many of you can join us for our Leut Appreciation Day on August 20, in conjunction with Dakotafest. This event is our way of expressing our gratitude to our clients, stakeholders, and friends, and we’re excited to show you the Shoffice if you have not seen it. On July 31, we said “See ya later” to Rane Stehly, our summer associate, as she returns to law school for her final year. We will cheer her on as she crosses the graduation stage this spring, and we look forward to helping her reach her potential. *Remember, man does not live on bread alone: sometimes he needs a little buttering up.* – John C. Maxwell. As always, **Consult Your Attorney,**

*Kiera Leddy*



*Kellie, Kiera & Rane*

# DID YOU KNOW

## *with Grandpa Joe*

Gracevale Colony was established in 1948 near Winfred, South Dakota. Gracevale is a daughter colony of Tschetter Colony. Gracevale raises hogs, cattle, turkeys, and grain. In May 2022, Gracevale experienced significant damage from the derecho that swept through the state. Governor Kristi Noem visited them to witness the destruction the storm had left. Gracevale has three daughter colonies: Rolland, Cambridge, and Cloverleaf (no longer existing).



*Aerial view of Gracevale in the 1960s.*



*Governor Noem visits with Pr. Mark Hofer.*



**Governor Kristi Noem** ✓

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Some of our Hutterite colonies were hit pretty hard by the storms earlier this month. They didn't ask for any help, but we went to check on them. Roofs were already fixed on all their homes, and a tremendous amount of debris had already been cleared. It's a tremendous example of a community working together to recover.

# \$DRP

In July, U.S. Secretary of Agriculture Brooke Rollins announced a new program called the Supplemental Disaster Relief Program (SDRP) for farmers who experienced crop losses due to natural disasters in 2023 and 2024. Approximately \$16 billion will be disbursed. The program has two stages. The first stage is open to farmers who received crop insurance payments in 2023 and 2024 due to qualifying natural disasters. These disasters include floods, derechos, excessive heat, winter storms, freeze, smoke exposure, excessive moisture, qualifying drought (D2 and D3), and related conditions. It is important to note that the total SDRP payment to indemnified farmers will not exceed 90% of their losses, and a **payment limitation of 35% will be applied to all Stage One payments.** Qualifying farmers should have received a pre-filled application by mail in July. Stage 2 is expected to begin mid-September.

## CUP PAY UP

The Lincoln County Commissioners (SD) will require a milk facility to annually pay \$50,000 for road maintenance as a condition for its conditional use permit (CUP). The payment will be divided equally between two townships in the county. The applicant, Red Rock Dairy, agreed to pay the fee. The dairy houses several thousand cows and seeks to expand its existing milk condensing facility by about 13,000 square feet, so the whey can be separated from the milk, a step in the condensing process. During the county commissioner hearing, numerous community members voiced concerns regarding the increased traffic and road damage. A township board chairman reported that they are currently spending roughly \$90,000 per year on gravel, not including labor or equipment maintenance costs.



# THE CODE

*By Rane Stehly*

Many professions in South Dakota require ongoing training to maintain their licenses. Engineers, counselors, nurses, accountants, and other professionals require continuing education. This ensures these professionals stay up to date and improve their knowledge. You are even required to take a class to operate a concentrated animal feeding operation (CAFO), which Kellie and I attended in June. We learned a lot and enjoyed meeting some of our clients. However, South Dakota is currently one of only four states that **do not** require attorneys to receive continuing education or training. This means no requirement exists for attorneys to stay up to date and improve their knowledge of the law, which is always changing. However, that may now change. Recently, members of the State Bar of South Dakota, the professional membership group for lawyers, voted to support a proposal requiring attorneys to obtain at least 20 hours of continuing education every two years starting in 2027. This training would help attorneys stay informed about changes in the law and other important legal updates. Ironically, attorneys in the state are divided on this. Some argue that requiring ongoing training can create time and financial challenges for already busy attorneys. However, many argue that attorneys should continue to learn and grow in their profession. The Dean of the University of South Dakota Knudson School of Law supports continuing education for attorneys and says, "You don't graduate law school knowing everything you need to know to sustain you in a career over decades." At Leut Services, we understand the importance of staying up to date with legal developments and changes in the law. We attend conferences and workshops to "stay in the know." We understand that our clients' lives, property, and financial well-being rely on our knowledge.

# AGP EXPANSION

On July 17, 2025, Ag Processing, Inc. (AGP) held its grand opening for its newest soybean processing and degumming plant in David City, Nebraska. This is AGP's 11<sup>th</sup> soybean processing plant. It is expected to begin operations at the end of August. At full capacity, the plant will annually process more than 50 million bushels of soybeans and about 700 million pounds of degummed oil. The plant sits on about 273 acres. AGP's last plant opened six years prior, on the same date, July 17, in Aberdeen, SD. David City is located about 3½ hours south of Mitchell, SD.

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## BBB CONTINUED

As noted last month, the Big Beautiful Bill held many advantageous provisions for farmers. Not only did it increase reference prices for commodities, but it also changed the way many programs will be handled. For the 2025 crop year, the USDA will automatically pay farmers the higher payment between PLC and ARC for their crops. This payment will be issued in October 2026. However, after the 2025 crop year, the farmer must pick which program they wish to participate in. If the farmer does not pick, the same coverage issued in 2025 will apply for the 2027-2031 crop years. For the first time, pass-through entities, including S-Corps and LLCs not taxed as C-Corps, will be treated the same as general partnerships under the payment limitation rules. For example, S-Corp shareholders will each have their own payment limit. The payment limitation has also increased from \$125,000 to \$155,000. This limit will be adjusted annually for inflation. Finally, the Adjusted Gross Income (AGI) Limitation sees changes. Now, those who receive 75% or more of their average gross income from farming activities will be exempt from the \$900,000 AGI limit for certain conservation and disaster payment programs. "Farming activities" now include the sale of ag equipment, direct-to-consumer sales, and other activities determined by the Secretary of Ag.

# CLOSET CLEAN-OUT

By Kellie Ripp

What do you need to do to become organized? It seems like a silly and easy question to answer, but it is more complex than one thinks. Recently, I took the lead on a big organization project, which consisted of cleaning up the electronic files, as well as printing the formation documents for our walk-in safe. A task that seemed very minuscule turned into a beneficial “closet clean out.” This was an important project because we strive to keep our records in pristine condition. You may wonder, why did we print out only the formation documents? (and no, it's not because Kiera wants to hold them hostage 😊). Nowadays, we rely on technology to keep all our work accessible, safe, and secure in something called “the Cloud.” While we back up our Cloud, we like to have an extra backup on paper. The corporate formation documents are the most important documents for our clients because they give life to corporations and LLCs. Even though everything is moving online these days, having printed copies of your most important documents in a safe and fireproof location is a good idea. It is also a good idea to get into the habit of a file clean-out at least once a year. This will help you stay organized. Here are some additional tips:

- Carve out a couple of undisturbed hours each week to tackle a specific task (like paying bills).
- Make a to-do list. We love using the Microsoft To-Do app on our laptops and phones.
- Use the Outlook calendar to organize your meetings, appointments, and events.
- Use resources like a “Desk Sorter Organizer” to organize piles of paper.

At Leut Services, we provide a service where we help you become more organized (it makes our job easier!). We bring tips and tricks to help you become more “computer savvy” and make your office hours more manageable.

# COLONY FEATURE

## Oak Lane Colony

On July 8, 20 members of the International Society of Weekly Newspaper Editors experienced a “Day in the Life” at Oak Lane Colony. John Wipf led the group through a tour of the Colony, showcasing its various operations, including its Jersey dairy with a robotic milking system and its school. The group enjoyed supper and a question-and-answer session with John. The guests were very appreciative of the experience. One visitor from Nevada said, “My heart is so full after the Oak Lane Colony welcoming, tour, and gracious reception with a delicious meal from the Oak Lane Colony residents.”



*John Wipf discussing the robotic milkers with his tour guests. Photo by Jeremy Waltner*

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## PROP 12 FIGHT RENEWS

In July, the Trump Administration sued California over its animal confinement laws, including Prop. 12 and Prop. 2. The administration argues that these laws have contributed to the rising food costs, particularly in eggs. The Administration claims the federal Egg Products Inspection Act trumps California’s state animal confinement laws. This lawsuit focuses more on the poultry and egg industry as opposed to the hog industry.

## RECIPE OF THE MONTH

### Zucchini Cake with Espresso Frosting

#### Cake

1 ½ cups grated zucchini  
2 medium ripe bananas, mashed (about ¾ cup)  
½ cup melted butter  
⅓ cup honey  
2 eggs  
2 tsp vanilla extract  
1 ½ cups all-purpose flour  
1 ½ tsp baking soda  
1 tsp ground cinnamon  
½ tsp salt  
1 cup chocolate chips

#### Frosting

4 oz cream cheese  
½ cup salted butter  
1 ½ cups powdered sugar  
1 tbsp instant coffee powder  
2 tsp vanilla extract  
Preheat oven to 350°F. Line an 8-inch square baking pan with parchment paper. Place the shredded zucchini in a clean towel, then squeeze out any excess water. In a large bowl, stir together the mashed bananas, butter, honey, eggs, and vanilla. Add the flour, baking soda, cinnamon, and salt, and mix until just combined. Stir in the zucchini. Fold in the chocolate chips. Pour the batter into the prepared bread pan. Bake for 30-40 minutes, or until the center is just set. Remove and let cool before frosting. To make the frosting, dissolve the instant coffee in 1 tablespoon of hot water. Beat together the cream cheese and butter until light and fluffy, about 2 minutes. Add the powdered sugar, coffee, and vanilla. Beat until the frosting is light and fluffy. Frost the cake and enjoy. *Recipe by Half Baked Harvest.*

## APP OF MONTH



Yes, that is correct. Our app of the month is the phone app. If your day is anything like ours, you use this app constantly. At Leut Services, we value open communication. (Yes, we answer our phones and we like it when yours 😊). We have an “On Call Fee,” which is an annual flat fee for all communication (phone calls, texts, and emails) between us and the client. If you are interested, please reach out.

## EVENTS & ACTIVITIES

Aug. 5-7 // MN Farmfest (Redwood Co., MN)  
Aug. 19-21 // Dakotafest (Mitchell, SD)  
Aug. 20 // Leut Appreciation Day (The Shoffice)  
Aug. 21-Sept. 1 // MN State Fair (St. Paul)  
Aug. 26-28 // Farm Progress Show (Decatur, IL)  
Aug. 27-Sept. 1 // SD State Fair (Huron)  
Sept. 1 // Labor Day (Office Closed)  
Fall 2025 // High Plains Processing Opens (Mitchell, SD)

## CONTACT US

### **Kiera Leddy, Attorney**

[kledddy@leutservicespc.com](mailto:kledddy@leutservicespc.com)  
605-924-0271

### **Daneen Petty, Legal Assistant & Compliance Manager**

[dpetty@leutservicespc.com](mailto:dpetty@leutservicespc.com)  
702-277-3401

### **Kellie Ripp, Legal Assistant & Client Coordinator**

[kripp@leutservicespc.com](mailto:kripp@leutservicespc.com)  
605-656-8344

