

May 2025

# THE HOUSEHOLDER BULLETIN

The Monthly Newsletter of Leut Services, P.C.

## MAKE IT A DOUBLE A NOTE FROM YOUR *Attorney*

Leut Services is delighted to announce two additions to our team: Rane Stehly and Kellie Ripp. Kellie is our new Legal Assistant and Client Coordinator, and Rane is our Summer Associate. They will join Daneen and me to manage and expand our clientele. You can learn more about their background and what they will be up to on the following page.



**Rane Stehly**  
Summer Associate



**Kellie Ripp**  
Legal Assistant &  
Client Coordinator

As I write this column for May, it is so crazy to think our first anniversary is here. While there have been many achievements, tears shed, and lies spread, I wouldn't trade this past year for the world (but I *definitely* do not *ever* want to repeat it). So, to celebrate, let's hit the rewind button.

- May 3: Leut Services, PC is founded
- May 15: Informational Meeting in Mitchell
- June: Added Daneen to the team
- July: Purchased the lots in Dimock
- August: Said hi to many of you at Dakotafest
- September: Broke ground on the Shoffice
- October: Rode in many combines
- November: Attended American Ag Law Conference in Memphis
- December: Delivered lots of Christmas gifts— so much fun!
- January: Traveled to DC for the Inauguration
- February: Visited Argentina with South Dakota Ag and Rural Leadership
- March: Moved into the Shoffice
- April: Kicked off Annual Minutes
- May: Celebrated our open house and doubled our team

It has been a busy first year. We are so happy to be at our new location and look forward to expanding our clientele. I have learned many lessons this past year, but the most important lesson I learned is "Good things come to people who wait, but better things come to those who go out and get them." (*continued on the next page*)

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***(Make it a Double continued)***



Kellie Ripp grew up on a dairy farm just south of Dimock (*a bird's eye view from the Shoffice to be exact*). She attended Parkston High School and furthered her education at Mitchell Technical College, where she received her associate's degree in business management. Kellie previously worked at Dimock Dairy, Inc. (Dimock Cheese) and the Parkston Food Center. In her free time, she enjoys hanging out with family and friends, especially her nephews, helping on her family's farm, and going on walks. She grew up showing dairy cattle, and Jersey is her favorite breed of cattle. Kellie will be our in-house QuickBooks Online expert (*woohoo!*), assist with onboarding new clients, and keep our current clients organized. Her first day is Monday, May 5.



Rane Stehly grew up on a crop farm west of Mitchell (*Leut Services = farm kid magnet*). She attended Mitchell High School and received her bachelor's degree in criminal justice from the University of

South Dakota. Currently, she is in law school at the University of South Dakota. Rane previously worked at Cadwell, Sanford, Deibert & Garry, LLP, a law firm in Sioux Falls. In law school, her favorite classes are agricultural law, legal writing, and property. In her free time, she enjoys crocheting, hanging out with her cat named Tiny (*she and Daneen quickly bonded over their love for cats*), and discovering great finds at thrift stores. She will be our summer associate, which means she will get a taste of what it is like to be an attorney at Leut Services. Her first day is Monday, May 19, and she will depart at the end of July to return to law school.

If you are in the area, please stop by and meet our growing team. It will also help our new team members put a face to the name, so they know who they are talking to on the phone or via email. Welcome to Leut Services, we are so excited to have you both.

***(Note from Your Attorney continued)***

Quitting a job and starting a new business or two is not easy. But there's a good chance the grass is greener on the other side. Growth and comfort do not coexist, and man, have we grown this past year. You better bet we plan to keep this momentum up, maybe we will even double it. *"If there's a Goliath in front of you, that means there's a David inside you."* As always, **Consult Your Attorney**,

***Kiera Leddy***

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## OPEN SEASON

For East River and West River Deer seasons, South Dakota landowners are given a special advantage called **landowner preference**. Fifty percent of licenses in the first drawing are reserved for landowners. Landowners are also allowed to purchase a license at a reduced fee, which is called a **"landowner-owned land"** tag. This tag can only be used on property that the landowner owns or operates. Hutterite Colonies that own land have specific members who qualify for these special landowner tags. Under South Dakota law, members identified as board members on the Corporation's Annual Report (which is publicly on file at the Secretary of State website) and their children under 18 years old can use landowner preference or purchase the landowner-owned land tags. These tags are not transferable. Colony members who are not board (bench) members can still obtain a deer license. However, they need to apply for a non-landowner tag. Other opportunities for licenses include archery or muzzleloader seasons, and youth, mentor, and apprentice seasons. The deadline to apply for deer licenses is June 17. Applications must be completed online. The application period opens around May 15. Leut Services has spoken with Game, Fish, and Parks about recent issues with landowner tags. We have notified GFP that if Leut Services is the registered agent listed in the annual report, there is a 99% chance that the board members are accurate. *We cannot guarantee the correct board members are listed if a different law firm filed the annual report.*

# DID YOU KNOW

## *with Grandpa Joe*

Nestled in a valley along the James River is Tschetter Colony. Tschetter was founded in 1890 by members of Wolf Creek Colony (Dariusleuts). Like many colonies at that time, its members sold the property in 1918 and moved to Alberta, where they formed Rosebud Bruderhof. The original homestead was repurchased in 1941 and resettled by members of Gracevale Colony (Manitoba) who were Schmiedeleuts. In 2019, Tschetter Colony sustained serious damage due to flooding by the James River. Their school was completely wiped out. Today, Tschetter raises crops, hogs, turkeys, and manufactures wooden trusses. Fun fact, Tschetter was named “Tshcetter” because the original Dariusleuts were all Tschetters. Today, Tschetter consists of Hofers and Deckers. Tschetter has three daughters: Gracevale (SD), Wolf Creek, and Pembroke.



Dining Hall built around 1990.



Parking and machine shop.



Bird's eye view of Tschetter Colony.

# RESIDUAL FERTILITY

## TAX DEDUCTION

Many acres of farmland will change ownership in the coming years. If you buy more land, you should know about the residual fertilizer tax deduction for the land purchaser. Farmers should know that fertilizer is a tax deduction. If you apply it, you write it off. When you buy farmland, you may also “purchase” unused fertilizer. So, you have the option to take this tax deduction. Starting in 1960, Internal Revenue Code Section 180 allowed farmers to deduct fertilizer expenses. Guidance on this tax deduction is limited, but a 1991 technical advice memorandum (TAM) from the IRS outlines criteria. To take this deduction, the taxpayer must show that excess fertilizer in the ground exists due to the previous landowner's application. You prove this through fertilizer records, soil samples, previous ownership, etc. Next, the taxpayer must be actively engaged in farming. If you own the ground and rent it out, you do not qualify. If a holding company owns the land and rents it to a company that farms the ground, the holding company does not qualify. A tenant cannot take this deduction. Finally, the ground should be recently purchased. It is best to take this deduction in the tax year you purchased or inherited the land, for easier proof and audit avoidance. We recommend using this tax deduction no later than three years from purchasing the land, so long as you have the records to prove it. This deduction is not available to the seller. Most native pasture/range land doesn't qualify. To successfully take this deduction, you must meet the criteria, deduct a reasonable amount, and maintain the records. As a taxpayer, you have the burden of proof during audits, not the government. This means that you must prove the government is wrong. That is why detailed record-keeping is essential.



# THE CODE

Back to our fiduciary duty series. Next up, we have the Duty of Confidentiality. While you think I am beating a dead horse, confidentiality is extremely important and cannot be discussed *enough*. A Fiduciary Duty is a legal and ethical obligation to act in the best interests of another person or entity, like a business or a Colony. At a Colony, all board members and overseers are legally and ethically obligated to fulfill their Fiduciary Duty, including the Duty of Confidentiality. This duty requires all overseers, directors, officers, and members/employees of a corporation to protect sensitive business information and not disclose it for personal gain. This duty extends to various types of information, including meeting discussions, financial documents, and contracts. This duty keeps information safe, helps prevent third-party interference with important decisions, and maintains the corporation's competitive edge. Confidentiality is extremely important in running a business. Let's pretend a company wanted to hire an outside consultant to explore a business venture, like a locksmith business. The board meets with the consultant to see if he is a good fit. One of the board members mentions the meeting to a non-board member. That person mentions something to another person, and all of a sudden, word is in the grapevine that you are starting a Worm Farm. (???!!) The consultant, who is a business professional, hears about the gossip and decides his time is better spent at a more professional company. Keep your business to your business, and you won't have any worms.

## MORE FARM PAYMENTS

The USDA announced a second round of payments for specialty crop producers. About \$1.3 billion will be available through the Marketing Assistance for Special Crops (MASC) Program. Specialty crops include fruits (fresh or dried), vegetables (including dry edible beans and peas, mushrooms, and vegetable seeds), tree nuts, and other specialty crops. Contact your local FSA office to see if you qualify.

# NEW FACES WITH SDSU SWINE



**Dr. Rafe Royall**  
**Assistant Professor &**  
**SDSU Extension Swine Specialist**  
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**605-688-5165**

Dr. Rafe Royall grew up in Garden City, Texas, where showing and judging livestock through 4-H led him to love the swine industry. Rafe received a bachelor's degree in animal science from Texas Tech University, where he competed on multiple nationally competitive judging teams. During this time, he interned with the Improving Pig Survivability project, which developed his passion for swine nutrition research and led him to Kansas State University. At KSU, he completed his master's and doctoral degrees as a member of the applied swine nutrition team.



**Kaylyn Rudy**  
**SDSU Extension Swine**  
**Field Specialist**  
**kaylyn.rudy@sdsu.edu**  
**605-995-7378**

Kaylyn Rudy grew up on a farm in Illinois, raising Dexter cattle, showing horses, and helping her dad at his vet clinic. She received her bachelor's degree in agricultural science with an emphasis on animal science from Western Illinois University. After working in the industry, she pursued her master's degree at Purdue University in swine reproductive physiology. Before coming to SDSU, she worked for Premier BioSource, a biomedical swine facility, and Indiana Packers. In her role, she will work with hog producers to be a reliable source of pertinent, research-based information, programming, and support.

# FARMING= RISKY BUSINESS

Farming is undoubtedly a risky business. But does the USDA acknowledge that? Nowadays, many family farms operate as corporations or LLCs. Farmers form these business entities for their legal, financial, and transitional benefits. But does the USDA accept/encourage this essential business tool? The 2008 Farm Bill established rules for payment limitations for farm program payments. Specifically, a rule was created that allowed general partnerships to combine the USDA farm program payment limits of their general partners (\$125,000/person). Meanwhile, corporations and LLCs were restricted to one payment at the entity level. In other words, a general partnership with three members could receive \$375,000 in payments, which it could distribute to each partner (\$125,000/partner). However, if the same three people operated as an LLC rather than a partnership, the LLC would only receive \$125,000 (\$41,667/member). Supposedly, this restriction was created to prevent abuse by large corporations, however, it has led to several unintended consequences and unequal treatment. Today, the federal farm program fails to align with the reality of farming operations. It encourages farmers to operate as sole proprietorships or partnerships, which in turn creates risk with asset protection, accounting management, and angry siblings. Farms are multi-million-dollar operations that must navigate numerous risks, such as vehicle/machinery accidents, animal disease, high input costs, and so much more. Therefore, farming operations need to act as the multi-million-dollar operations that they truly are. The giants of the world—Walmart, Amazon, Apple, and UnitedHealth Group—do not operate as partnerships or sole proprietorships. They operate as corporations because this structure allows them to safeguard assets, raise capital, and ensure their business endures beyond current leadership/management. Therefore, it is

essential for farming operations to utilize legal structures like LLCs or corporations. These entities help farmers mitigate risks, facilitate smoother transitions as new generations assume management roles, and strategize tax planning. While some farmers do take advantage of the system by creating additional entities, the paperwork and headache it takes to separately maintain those entities likely does not outweigh the benefits the farmer receives. And if mistakes are made, you can bet the government will eventually come knocking. So, what is the solution? Congress needs to encourage farmers to act like the multi-million-dollar operations they are and implement an “entity-agnostic” approach to farm program payments. The USDA recognizes farming is a risky business (after all, there is a Risk Management Agency). Instead of creating more rules for farmers to follow, the USDA should promote good business practices and adopt this entity-agnostic approach.

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## PRRS PIG APPROVED

At the end of April, the USDA Food and Drug Administration announced it had approved a PRRS-resistant gene-edited pig developed by PIC. The approval means that the FDA has determined the technology is safe, effective, and fit for human consumption. PRRS is a swine disease that costs the industry millions of dollars annually. Research studies show that PRRS has increased the need for antibiotics in pigs by more than 200%. The next steps are to make this PRRS-resistant pig commercially available to farmers and to ensure countries accept this gene-edited hog so it can be exported.

## RECIPE OF THE MONTH

### Lemon Tart

*This lemon tart is easy to make and a crowd pleaser. My Easter holiday visits would agree.*

1 cup crushed graham crackers  
1 cup crushed pretzels  
1 cup butter  
2 TBS +  $\frac{1}{3}$  cup honey  
3  $\frac{1}{2}$  cups heavy cream  
2 TBS lemon zest  
 $\frac{1}{3}$  cup lemon juice  
1 tsp vanilla extract

Preheat the oven to 350 degrees. For the crust, in a food processor, pulse the graham crackers and pretzels into semi-fine crumbs. Add the butter and 2 tablespoons of honey and pulse until the mixture holds together when pinched and starts to look like dough. Press the dough into an 8 or 9-inch tart pan with a removable bottom to form a flat, level crust. Transfer to the oven and bake until toasted, about 8 minutes. Combine the heavy cream, remaining  $\frac{1}{3}$  cup of honey, and lemon zest in a large pot, **bigger than you think you'll need**. Set over high heat and bring to a boil. Once boiling, boil 5 minutes. Remove from the heat and whisk in the lemon juice, vanilla, and a pinch of salt. Let cool 10 minutes. Carefully pour the lemon cream into the baked crust. Cover and chill 1 hour or until set. Top with fresh berries. *Recipe by Half Baked Harvest.*

SEMINARS  
— FOR —  
STEWARDS

## MAILBOX/DROP BOX



We are all about convenience at Leut Services, so our mailbox also serves as a locked drop box. If you would like to save on postage and or have papers to drop off, and no one is around, you can leave them in our mailbox. While our address is Main Street, the postmaster thinks our mailbox should be on 270<sup>th</sup> Street-- crazy!!

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## EVENTS & ACTIVITIES

May 2 // Open House  
May 3 // Leut Services First Anniversary  
May 26 // Memorial Day (Office Closed)  
May 27 // The Meeting on the Meeting  
May 29 // Ascension Day (Office Closed)  
June 4-5 // World Pork Expo  
June 9 // Pentecost (Office Closed)  
June 10 // Pentecost (Office Closed)  
June 28-29 // Soy Street at Children's Museum of South Dakota (Brookings, SD)  
July 31 // AgPhD Field Day (Baltic, SD)

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## CONTACT US

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# *the meeting on* **THE MEETING**

**Learn the skills you need to effectively conduct a meeting**

**Recommended attendees: President, VP &  
Secretary-Treasurer**

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Imagine you have been elected by your peers and now you are expected to run the Colony's annual meeting. You have always watched the former officer do it but no one has ever told you what to do and why you have to do it.

Does this story sound like you have lived it? Well, you are not alone. In this seminar, we will teach you the what and the why. We will also explore suggestions for annual meeting agendas, proper notice, and other relevant topics. Jim Connors is a high school agriculture/FFA teacher turned professor. He is also a certified parliamentarian. He travels the nation teaching organizations how to run a meeting effectively. In the afternoon, Kiera will review the bylaws and explain how to follow them.

 **Tuesday, May 27**

 **10 a.m. - 3 p.m.**

 **The Shoffice**

 **\$45/person**

Cost includes coffee, snacks, noon meal, speaker, and take-home materials.

SEMINARS  
— FOR —  
STEWARDS

**RSVP to Kiera Leddy or Daneen Petty  
605-924-0271 or 702-277-3401**

***You do not need to be a client of Leut Services to attend.  
Open to Hutterite Colonies only.***