

At this time, **Vistive® Gold soybeans** have received full approval for planting in the United States but have not yet received import approval in certain export markets. While certain export approvals are pending, **Vistive® Gold soybeans** will be available in limited geographies only to growers who have signed a 2016 Vistive® Gold Soybean Grain Production Grower Agreement and agree to follow the stewardship requirements. Upon receipt of appropriate approvals, Monsanto will inform growers and determine whether the stewardship requirements will need to remain in place.

Monsanto Company is a member of Excellence Through Stewardship® (ETS). Monsanto products are commercialized in accordance with ETS Product Launch Stewardship Guidance, and in compliance with Monsanto's Policy for Commercialization of Biotechnology-Derived Plant Products in Commodity Crops. This product has been approved for import into key export markets with functioning regulatory systems. Any crop or material produced from this product can only be exported to, or used, processed or sold in countries where all necessary regulatory approvals have been granted. It is a violation of national and international law to move material containing biotech traits across boundaries into nations where import is not permitted. Growers should talk to their grain handler or product purchaser to confirm their buying position for this product. Excellence Through Stewardship® is a registered trademark of Excellence Through Stewardship.

B.t. products may not yet be registered in all states. Check with your Monsanto representative for the registration status in your state.

IMPORTANT IRM INFORMATION: RIB Complete® corn blend products do not require the planting of a structured refuge **except** in the Cotton-Growing Area where corn earworm is a significant pest. **See the IRM/Grower Guide for additional information. Always read and follow IRM requirements.**

Individual results may vary, and performance may vary from location to location and from year to year. This result may not be an indicator of results you may obtain as local growing, soil and weather conditions may vary. Growers should evaluate data from multiple locations and years whenever possible.

ALWAYS READ AND FOLLOW PESTICIDE LABEL DIRECTIONS. Roundup Ready® crops contain genes that confer tolerance to glyphosate, the active ingredient in Roundup® brand glyphosate-only agricultural herbicides. **Roundup® brand glyphosate-only agricultural herbicides will kill crops that are not tolerant to glyphosate.** **Tank mixtures:** The applicable labeling for each product must be in the possession of the user at the time of application. Follow applicable use instructions, including application rates, precautions and restrictions of each product used in the tank mixture. Monsanto has not tested all tank mix product formulations for compatibility or performance other than specifically listed by brand name. Always predetermine the compatibility of tank mixtures by mixing small proportional quantities in advance. Acceleron and Design®, DroughtGard®, Genuity Design®, Genuity Icons, Genuity®, RIB Complete and Design®, RIB Complete®, Roundup Ready 2 Technology and Design®, Roundup Ready 2 Yield®, Roundup Ready PLUS®, Roundup Ready®, Roundup®, SmartStax®, Vistive®, VT Double PRO® and VT Triple PRO® are trademarks of Monsanto Technology LLC. Deltapine® is a registered trademark of Monsanto Company. Channel® and the Arrow Design® and Seedsmanship At Work® are registered trademarks of Channel Bio, LLC. LibertyLink and the Water Droplet Design® is a registered trademark of Bayer. Herculex® is a registered trademark of Dow AgroSciences LLC. Respect the Refuge and Corn Design® is a registered trademark of National Corn Growers Association. All other trademarks are the property of their respective owners. ©2016 Monsanto Company.



Before opening a bag of seed, be sure to read, understand and accept the stewardship requirements, including applicable refuge requirements for insect resistance management, for the biotechnology traits expressed in the seed as set forth in the Monsanto Technology Stewardship Agreement that you sign. By opening and using a bag of seed, you are reaffirming your obligation to comply with the most recent stewardship requirements.



Farm Management

Choosing the right business form for your farm



Farm & Family

BY KRISTIN M. GUNSOLUS

FARMERS, as well as other business owners, have various options when it comes to choosing a form of business organization.

Choosing the correct form depends on many considerations, including income tax implications, flexibility, ease and expense of recordkeeping, exit strategy and liability protection. I will focus on using an entity for liability protection in this column.

Speaking broadly, farmers can choose to organize their business by using an organizational structure without built-in liability protection or by using an entity that does provides a liability shield.

Non-limited liability organization

The two most common ways to organize a business without pursuing an additional level of liability protection are as a sole proprietorship and as a partnership. A sole proprietorship is owned and managed by one individual, whereas a partnership has two or more individuals associated as owners and controllers. In both a sole proprietorship and a partnership, the sole proprietor and partners are responsible for all the obligations and debts of the entire business, even if the debts exceed the sole proprietor's or partner's investment. Thus, a sole proprietor's and a partner's individual assets are at risk for all liabilities incurred by the business. There is no ceiling and the liability of the owner sole proprietor or partner is unlimited. This is a significant cause for concern in a partnership, because the farmer with more personal assets risks losing far more than the farmer with limited personal



STRUCTURE IS KEY: Whether you choose to place your farm in a limited liability organization or a non-limited liability organization, the important thing is to know the pros and cons of each option.

Key Points

- Various business structures are available to farmers.
- Sole proprietorships, partnerships have no liability ceiling.
- Setting up a limited liability entity can protect personal assets.

assets. For both sole proprietorships and partnerships, having adequate insurance coverage is imperative to protecting assets, as insurance provides the sole means of liability protection.

Limited liability organization

If shielding personal assets from potential liabilities of the business is a priority, there are various options for forming the business. In a limited partnership, the limited partners share in liability only up to the amount of their investment in the partnership, while general partners are fully liable for the debts and obligations of the partnership. In a limited liability partnership, personal assets of the partners are shielded against the liabilities of the partnership. A corporation is a separate legal entity that will insulate (usually) the shareholders from a claim against the corporation. Similarly, in a limited liability company, the debts and obligations of the entity rest with the entity itself, not with the owners. It is important to note that no entity structure will insulate the owner from liability for his or her own personal acts. Which business model entity is right for your farm will depend on a variety of factors beyond the scope of this article.

The pros of a limited liability entity

The main benefit of organizing a farming operation as a limited liability entity is the extra layer of protection the entity gives to the farmer's personal assets. If a liability-

triggering event occurs in the course of operation of a limited liability entity, the creditors can only reach the entity's assets or owner's contribution. The owner's personal assets are out of reach from the creditors. Thus, owners may be able to participate in active management of the farm without risking loss of liability protection.

Farmers can further limit liability by diversifying their risk. Some business operations are inherently more risky than others. For example, if you have a large farming operation and eight employees work for you, there's a much higher possibility that one of those individuals could get injured or cause injury on your property than if you run a sole proprietorship.

Similarly, some assets carry more inherent risk than others. While farmland is not considered as risky as a rental property, it does carry much more risk than a checking or savings account. As a general rule, if you have an asset that comes with a significant amount of risk, it is advisable to keep that asset isolated from your other assets, often in its own separate limited liability entity. To illustrate, assume you have a hog operation and a dairy operation. To segregate the risks, you might form two separate limited liability entities that would separate the operations from your real estate and personal assets (retirement accounts) and contain the risks of each operation to the operation itself.

Managing risk is just one aspect of business formation, but it is an essential one. If you have concerns about your risk exposure with regards to your farm operation, meet with your attorney to review your business plan.

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