



- b. Are these assets currently controlled by the reader? If not, how will control be acquired?

4. Who will be involved in the operation (e.g., on-farm/ranch versus off-farm owners)? In what capacity? Who may live on the farm/ranch? What rights and obligations are associated with this arrangement?

**B. RANK THE RELATIVE IMPORTANCE OF THE FOLLOWING OBJECTIVES IN SELECTING A BUSINESS FORM FOR THE READER'S FARM OR RANCH**

Instructions: Please use the following scale: 1 not important; 2 somewhat important; 3 important; 4 very important; or 5 would not select a business form that did not address this concern. The information on this page will be used by the owner's attorney in determining which legal form best address the owner's concerns.

Illustration: A business form obviously should not be selected if it is not legally available. A reader, operating solely in Wyoming, thus may circle question 3 as a (1). However, risk averse readers may rank it higher because they are concerned that the laws governing some of the newer forms has not been addressed by Wyoming courts. Similarly readers with lands or co-owners in other states may rank this question higher because they are concerned about how the laws of these other states will affect the business form they are considering.

1. Ease of Entry:	1	2	3	4	5
2. Simplifies Management:	1	2	3	4	5
3. Legal Availability:	1	2	3	4	5
4. Limit Legal Liability:	1	2	3	4	5
5. Generate Additional Financing and Investors:	1	2	3	4	5
6. Fair Distributions and Compensation:	1	2	3	4	5
7. Maximize After-Tax Income:	1	2	3	4	5





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8.	Right to Withdraw or Transfer the Ownership Interest:	1	2	3	4	5
9.	Business's Duration (ex. Perpetual life) perpetual life):	1	2	3	4	5
10.	Estate Planning Concerns:	1	2	3	4	5
11.	Protecting Minority Owner's Interests:	1	2	3	4	5

The Reader's General Comments Regarding the Relative Importance of Each of These Concerns:

C. FARMING OR RANCHING TOGETHER.

Instructions: The remaining questions are for readers evaluating whether to operate their businesses with another. Answers to these questions will help them in selecting a business form and in preparing relevant management agreements for their business regardless of which form is selected. Readers should consider exchanging their answers with the potential co-owner(s) to discover similarities and differences in their expectations.

1. The Operation's Potential To Support Additional Co-owners.
  - a. How many additional co-owners are being considered?
  
  
  
  
  
  
  
  
  
  
  - b. What contributions towards the business will the additional co-owners supply (e.g., cash, assets, services, etc.)?





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- c. Is the current agricultural operation or the operation being planned profitable enough to support the additional owners? What level of earnings would be sufficient?
  - d. How will the contributions be made by the additional owner(s) boost the income of the agricultural operation? By how much? How/when will this occur?
  - e. By what additional amount will these contributions raise the profitability of the business? Will this addition be sufficient to cover the needs of the current and additional owner(s)? If the answer to this question is no, what other sorts of contributions (e.g., loans, contract arrangements, etc.) or sources of income (e.g., nonfarm jobs) is the reader considering to make up the difference? What additional obligations will these arrangements create? Who will be responsible for them? Are these obligations acceptable?
2. Can the Reader and Potential Co-owner(s) Work Together?
- a. What is your vision of the future business operation with this co-owner(s) (e.g., business activities; division of responsibilities; etc)?
  - b. What do you think the vision is of the potential co-owner(s)?









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## CHECKLIST 2:

### DOCUMENTS TO EXAMINE.

- Historic balance sheets of the business (and any business that is to be merged into the reader's current operation).
- Historic income statements of the business (and any business that is to be merged into the reader's current operation).
- A pro forma balance sheet of the new business operation.
- A pro forma income statement for the new business operation.
- Five years of federal income tax returns for the business (and any business that is to be merged into the reader's current operation).
- Five years of other documents governing other local, state, or federal tax, filing or other obligations of the business (e.g., annual property taxes, corporation license fees, etc.) for the business (and for any business that is to be merged into the reader's current operation)
- A summary of existing debt and debt instruments for the new business operation.
- Copies of documents of title and other ownership interests of property (e.g., leases) to be part of the new business operation.
- Summaries of any other important documents or agreements:
  - Agreements with input suppliers.
  - Agreements with output purchasers.
  - Existing insurance contracts.
  - Employee wage/fringe/incentive/bonus contracts.
  - Current wills.
  - Buy-sell arrangements.





- Other desired documents:

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**Table 1: Selected Characteristics of and Objectives in Choosing a Particular Legal Form for an Alternative Agricultural Enterprise.**

FORM	Ease of Entry	Agriculture may use@	Management	Limited Liability	Investors Permitted	Fair Distribution of Profits & Compensation	Income Taxes	Transfer Interest	Use in Estate Planning	Protect Minority Owners' Rights
Sole Proprietorship	No filing required	Yes	Sole proprietor	No	No	All earnings are sole proprietor's	All earnings included on owner's tax return and subject to self-employment taxes; limited ability to deduct fringe benefits	May sell assets	Minimal	Not applicable
General Partnership	No filing required	Yes	Defined by agreement; otherwise shared by partners	No	Yes**	Subject to Agreement; otherwise distributed equally; no right to compensation	No taxes at entity level; all earnings subject to self-employment taxes; limited ability to deduct fringe benefits; subject to family partnership rules	Limited#	Limited (transfer is a technical dissolution); may be subject to family partnership rules	Partners owe duties of loyalty, good faith, due care, and fair dealings to each other
Business Corporation	Articles of Incorporation must be filed	Yes	Defined by Articles and Bylaws	Yes*	Yes	Defined by Bylaws and other documents	May be taxed at both entity and shareholder level (C corp.) or only at shareholder level (S corp.)	Unlimited	Possible (transfer of voting stock may threaten control)	Directors must exercise reasonable business judgment
Limited Liability Company	Articles of Organization must be filed	Yes	Defined by Operating Agreement; may be member-or manager-managed; if silent member-managed	Yes*	Yes	Defined by Operating Agreement; otherwise distributions based on contributions	May choose to be taxed like C corp. or general partnership	Limited#	Possible	Statutes do not specify duties; do prohibit indemnification for negligence or misconduct or for receiving improper personal benefits.







Statutory Trust	Certificate of Trust must be filed	Yes	Defined by Governing Instrument, managed by Trustee	Yes	Yes	Yes	Defined by Governing Instrument; otherwise based on proportionate share of total beneficial interests	May choose to be taxed like C corp. or general partnership	Limited#	Possible	Trustee owes same standard of care owed by director of a corporation
Limited Partnership	Certificate of Limited Partnership must be filed	Yes	Managed by general partners; powers may be fixed by Limited Partnership Agreement	Yes*	Yes**		Subject to Agreement; otherwise based upon contributions	May choose to be taxed like C corp. or general partnership	Limited#	See general partnership (transfer of limited partnership interest will not threaten control)	See general partnership (no duties specified for limited partners)
Registered Limited Liability Partnership	Statement of Registration must be filed	Yes	See general partnership	Yes	Yes**		See general partnership	May choose to be taxed like C corp. or general partnership	Limited#	See general partnership	See general partnership
Close Corporation	Filed Articles must include a statement that the business is a close corporation	Yes	See business corporation; shareholders may agree to have business managed like a partnership	Yes*	Yes		See general corporation	See general corporation	Greatly Limited	See general corporation	See general corporation (minority shareholders may petition court to act upon a showing that actions are/will be illegal, oppressive, fraudulent, or unfairly prejudicial)







Flexible Limited Liability Company	Articles of Organization must indicate business is a FLLC	Yes	See LLC	Yes*	Yes**	See LLC	May choose to be taxed like C corp. or general partnership	May be transferred like stock	See LLC
Close Limited Liability Company	Articles of Organization must indicate business is a CLLC	Yes	See LLC	Yes*	Yes**	See LLC	May choose to be taxed like C corp. or general partnership	Greatly Limited	See LLC

@ Corporate and LLC forms use in agriculture is restricted in adjoining states of South Dakota and Nebraska.  
 \* Co-owners may engage in certain activity regarding the business for which they remain liable (see text).  
 \*\* Unless governing documents provide otherwise, unanimous consent required.  
 # Unless governing document provides otherwise, economic interests may be transferred, unanimous consent required to transfer management rights.





**Table 2: Wyoming Filing Fees.**

Entity	Type of Filing	Fee
Sole Proprietorship	None Required.	
General Partnership	None Required.	
Other Multiple Ownership Forms except Statutory Trusts	Initial Filing Fee.	\$100
	Additional Filings Other Than An Initial Filing or Annual License Tax.	\$ 50
	Annual Report License Tax.	\$ 50 or two-tenths of one mill on the dollar (\$0.0002)--which ever is greater based on the company's assets located and employed in the state of Wyoming,
Statutory Trust	Certificate of Trust/Certificate of Authority.	\$100
	Any Filing Other Than an Initial Filing or Annual Fee.	\$ 25
	Annual Tax.	\$100 (if not paid by 2/1 penalty of \$100)
	Certificate of Existence.	\$ 10

Source: WYOMING SECRETARY OF STATE, FILING FEE SCHEDULE  
<http://soswy.state.wy.us/corporate/fee.htm> (last visited August 17, 2001).





## B. Licensing and regulations

The terms “licensing” and “regulations” strike fear in some people. It is important to be in compliance and to make sure your client has taken into consideration requirements for their business, but it need not be a scary endeavor. There are many resources available to assist producers through this process.

Initially, your customer may want to consider contacting a state or national association that aligns closely to their business. Agricultural related businesses have a great variety of associations to choose from. To get an idea of associations that may be available in your client’s type of business, you can search the Internet, or search in *The Gale Encyclopedia of Associations*, a reference book available in most libraries. There are many good reasons to enlist the assistance of an association:

- Opportunity to interact with many people in the same business and learn what has worked for them, or risks or considerations you should be aware of.
- Client will be kept informed of legal and licensing requirements.
- An association may offer special certifications or trainings that will increase the credibility and skills of the owner(s) and employees.

Numerous federal, state, and local regulations affect the organizational structure and operations of a business establishment. Many of these regulations apply equally to any type or phase of business operations.

The form of ownership and type of business organization will, in part, determine the regulatory agencies it is necessary to work with. The type of regulatory agency governing a business is determined more by the occupations and professions represented by the firm than by whether a firm is a manufacturer, wholesaler, retailer, or service provider.

It is strongly recommended that any person who seeks to establish and operate a business in Wyoming engage the services of either a qualified







legal counsel or an accountant, and perhaps both, to assist in the business venture.

## 1. General Steps to Starting a Business

- a. Determining the legal structure of your client's business is one of the first decisions they will need to make. A very detailed section on legal structures according to Wyoming laws is included in this resource notebook.
- b. Corporations must file Articles of Incorporation with the Wyoming Secretary of State.
- c. Most retail businesses should have sales and use tax permits. Sales and use taxes collected by a business must be paid to the Department of Revenue; an application for a license should be made to the Sales and Use Tax Division of this Department.
- d. To ensure the location of a building is in compliance with local regulations, zoning regulations must be checked with the appropriate city or county regulatory agency.
- e. Before construction of a building can begin, several permits may be required. Those concerned with pollution control and ecology include air pollution, mining and reclamation, solid wastes and hazardous materials, and water pollution. Such permits may be obtained from the Department of Environmental Quality.
- f. Business and occupational licenses must be obtained from the pertinent state agency.
- g. local business licenses may also be required by the city or county. Such licenses may be obtained from the city or county clerk.





## 2. Employee regulations

Will your client's business hire employees? If yes, then there are several regulations that exist regarding hiring, firing, insuring employee safety, and avoiding discrimination.

- a. An employee identification number must be obtained from the nearest district office of the Internal Revenue Service. This number will be used on virtually every piece of paperwork dealing with the IRS.
- b. A state unemployment insurance account must be established with the Employment Resources Division, Wyoming Department of Employment.
- c. Employers subject to the jurisdiction of the Wyoming Worker's Compensation Act must file proof of compliance with the Wyoming Workers' Safety Compensation Division, Wyoming Department of Employment.
- d. Federal and state taxes must be paid, and must be paid on time. A common mistake with start-up businesses, is the priority of what bills should be paid first when cash is short. Do not skip or be late in making payroll tax deposits.

## 3. Agricultural and natural resource regulation considerations

- a. Laws and regulations for the protection of the consumer and the agricultural industry of the state are administered by the Wyoming Department of Agriculture.
- b. The Department of State Parks & Cultural Resources is responsible for conserving and protecting Wyoming resources,







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providing recreation to Wyoming citizens and visitors, and enriching the economy through tourism. The Tourism Division of the Wyoming Business Council is accountable for aiding in the establishment of new tourist-oriented businesses and the expansion of the tourist industry, and for publicizing and promoting all of Wyoming' public and private travel destinations.

- c. Full authority for the control, suppression, and eradication of livestock and poultry diseases and pests, and for the supervision of livestock and poultry sanitary work is administered by the Wyoming Livestock Board. The Board is charged with the development of the livestock and poultry industries in the state and for administering laws and regulations about livestock and poultry. It is also authorized to enter into cooperative agreements with several federal agencies in matters relating to livestock and poultry disease-control programs.
- d. The development of Wyoming's forest resource, suppression of wildfires, and dissemination of information to citizens of Wyoming are the objectives of the Forestry Commission in cooperation with the U.S. Secretary of Agriculture, the College of Agriculture of the University of Wyoming. Private landowners and industries needing assistance in the proper management of their forest lands should contact Office of State Lands of the Forestry Division.
- e. Geological information about Wyoming may be obtained from the Wyoming State Geological Survey whose primary purpose is to increase the knowledge of the geology of the state, and to stimulate the orderly development and use of the state's mineral resources.
- f. The Wyoming Department of Agriculture, through it Weights and Measures Lab enforces laws and regulations for the







protection of dealers and consumers pertaining to the accuracy, of gas pumps, and other measuring devices.

- g. The Consumer Health Services (CHS) Division of the Wyoming Department of Agriculture is charged with overseeing the safety of the state's food supply. The section also has some Environmental Health duties such as swimming pool inspection, and assisting with drinking water safety. CHS maintains an "equal to" USDA meats safety program and conducts all meat slaughter and processing inspection, even where local departments exist. CHS promotes public health and safety by conducting hazard analysis based inspections in the following establishments:

- Bed & breakfast establishments
- Day cares
- Meat plants
- Restaurants
- Swimming pools and spas
- Schools
- RV parks
- Grocery and convenience stores
- Institutions
- Temporary food service stands
- Mobile food service units
- Dairy plants
- Food processing establishments





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#### 4. **Resource list**

For more information about licensing, permitting and regulations, contact Paul Howard, Business Permit Program Manager with the Wyoming Business Council 307-777-2843.

For most questions concerning agricultural related businesses, contact:

**Wyoming Department of Agriculture**

2219 Carey Avenue  
Cheyenne, WY 82002  
307-777-6569

or

**Agri-Business Division of the Wyoming Business Council**  
307-777-6589.

Contact information for other resources listed in this section:

**Internal Revenue Service**

Small Business and Self--Employed Community (This is a new site on the IRS web site, it provides publications and special assistance to small businesses and agricultural businesses)

<http://www.irs.gov/smallbiz/index.htm>

**Office of State Lands**

Forestry Division  
1100 West 22<sup>nd</sup> Street  
Cheyenne, WY 82002  
307-777-7586

**Wyoming Business Council**

214 West 15<sup>th</sup>  
Cheyenne, WY 82002  
307-777-2800  
1-800-262-3425





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**Wyoming Department of Agriculture**

Consumer Health Services

2219 Carey Avenue

Cheyenne, WY 82002

307-777-7321

**Wyoming Department of Employment**

122 West 25<sup>th</sup> Street

Cheyenne, WY 82002

307-777-7672

Wyoming Department of Employment

Wyoming Worker's Safety and Compensation (WSCD) Division

307-777-7159

**Wyoming Department of Environmental Quality**

122 West 25<sup>th</sup> Street

Cheyenne, WY 82002

307-777-7937

**Wyoming Department of Revenue**

122 West 25<sup>th</sup> Street

Cheyenne, WY 82002

307-777-7961

**Wyoming Department of State Parks & Cultural Resources**

2301 Central Avenue

Cheyenne, WY 82002

307-777-6303

**Wyoming Department of Agriculture**

Weights and Measures Lab

1510 East 5<sup>th</sup> Street

Cheyenne, WY 82002

307-777-7120







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**Wyoming Livestock Board**  
2020 Carey Avenue, 4th Floor  
Cheyenne, WY 82002  
307-777-7515

**Wyoming Secretary of State**  
State Capitol  
Cheyenne, WY 82002  
307-777-7311

**Wyoming State Geological Survey**  
P.O. Box 3008  
Laramie, WY 82071  
307-766-2286





### C. Food labeling

Grocery store aisles are avenues to greater nutritional knowledge. Under regulations from the Food and Drug Administration of the Department of Health and Human Services and the Food Safety and Inspection Service of the U.S. Department of Agriculture, the food label offers more complete, useful and accurate nutrition information than ever before.

#### 1. With today's food labels, consumers get:

- nutrition information about almost every food in the grocery store
- distinctive, easy-to-read formats that enable consumers to more quickly find information needed to make healthful food choices
- information on the amount per serving of saturated fat, cholesterol, dietary
- fiber, and other nutrients of major health concern
- nutrient reference values, expressed as % Daily Values, information on how a food fits into an overall daily diet
- uniform definitions for terms that describe a food's nutrient content--such as "light," "low-fat," and "high-fiber" -- to ensure that such terms mean the same for any product on which they appear
- claims about the relationship between a nutrient or food and a disease or health-related condition, such as calcium and osteoporosis, and fat and cancer.
- standardized serving sizes that make nutritional comparisons of similar products easier
- declaration of total percentage of juice in juice drinks. This enables consumers to know exactly how much juice is in a product.





## 2. Nutrition Labeling and Education Act

These and other changes are part of final rules published in the Federal Register in 1992 and 1993. FDA's rules implement the provisions of the Nutrition Labeling and Education Act of 1990 (NLEA), which, among other things, requires nutrition labeling for most foods (except meat and poultry) and authorizes the use of nutrient content claims and appropriate FDA-approved health claims. Meat and poultry products regulated by USDA are not covered by NLEA. However, USDA's regulations closely parallel FDA's rules, summarized below.

### a. Nutrition labeling--applicable foods

Under these rules, nutrition labeling is required for most foods. In addition, voluntary nutrition information is available for many raw foods: the 20 most frequently eaten raw fruits, vegetables and fish each, under FDA's voluntary point-of-purchase nutrition information program, and the 45 best-selling cuts of meat, under USDA's program.

Although voluntary, FDA's program for raw produce and fish carries a strong incentive for retailers to participate. The program will remain voluntary only if at least 60 percent of a nationwide sample of retailers continue to provide the necessary information. (In a 1996 survey, FDA found that more than 70 percent of U.S. food stores were complying.)

Also, nutrition information is required for some restaurant foods. FDA requires nutrition information for foods about which health or nutrient-content claims are made on restaurant menus, signs or placards. Restaurants have to provide a "reasonable basis" for making claims, although they are given some flexibility in demonstrating that reasonable basis. For







example, they could rely on recipes endorsed by medical or dietary groups.

**b. Nutrition labeling--exemptions**

Under NLEA, some foods are exempt from nutrition labeling. These include:

- food served for immediate consumption, such as that served in hospital
- cafeterias and airplanes, and that sold by food service vendors
- mall cookie counters, sidewalk vendors, and vending machines
- ready-to-eat food that is not for immediate consumption but is prepared primarily on site--for example, bakery, deli, and candy store items
- food shipped in bulk, as long as it is not for sale in that form to consumers
- medical foods, such as those used to address the nutritional needs of patients with certain diseases
- plain coffee and tea, some spices, and other foods that contain no significant amounts of any nutrients.

Food produced by small businesses also may be exempt, under 1993 amendments to the NLEA. Businesses with fewer than 100 full-time equivalent employees may claim an exemption for food products that have U.S. sales of fewer than 100,000 units annually. Companies claiming this exemption must notify FDA that they meet the criteria before they begin marketing their products. U.S. companies, other than importers, with fewer than 10 full-time equivalent employees and selling fewer than 10,000 units of a food in a year also are exempt but do not need to notify FDA. Also exempt are retailers with annual gross sales in the United States of less than \$500,000 or with





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annual gross sales of food to consumers in the United States of less than \$50,000.

Although certain foods may be exempt, they are free to carry nutrition information, when appropriate--as long as it complies with regulations. Also, these foods will lose their exemption if their labels carry a nutrient content or health claim or any other nutrition information.

Nutrition information about game meats--such as deer, bison, rabbit, quail, wild turkey, and ostrich--is not required on individual packages. Instead, it can be given on counter cards, signs, or other point-of-purchase materials. Because few nutrient data exist for these foods, FDA believes that allowing this option will enable game meat producers to give first priority to collecting appropriate data and make it easier for them to update the information as it becomes available.

**c. Nutrition information panel**

Under the label's "Nutrition Facts" panel, manufacturers are required to provide information on certain nutrients. The mandatory (underlined) and voluntary components and the order in which they must appear are:

- total calories
- calories from fat
- calories from saturated fat
- total fat
- saturated fat
- polyunsaturated fat
- monounsaturated fat
- cholesterol
- sodium
- potassium
- total carbohydrate







- dietary fiber
- soluble fiber
- insoluble fiber
- sugars
- sugar alcohol (for example, the sugar substitutes xylitol, mannitol and sorbitol)
- other carbohydrate (the difference between total carbohydrate and the sum of dietary fiber, sugars, and sugar alcohol if declared)
- protein
- vitamin A
- percent of vitamin A present as beta-carotene
- vitamin C
- calcium
- iron
- other essential vitamins and minerals

If a claim is made about any of the optional components, or if a food is fortified or enriched with any of them, nutrition information for these components becomes mandatory.

These mandatory and voluntary components are the only ones allowed on the Nutrition Facts panel. The listing of single amino acids, maltodextrin, calories from polyunsaturated fat, and calories from carbohydrates, for example, may not appear as part of the Nutrition Facts on the label.

The required nutrients were selected because they address today's health concerns. The order in which they must appear reflects the priority of current dietary recommendations.

d. **Nutrition panel format**

All nutrients must be declared as percentages of the Daily Values, which are label reference values. The amount, in grams





or milligrams, of macronutrients (such as fat, cholesterol, sodium, carbohydrates, and protein) are still listed to the immediate right of these nutrients. But, for the first time, a column headed "% Daily Value" appears on the far right side.

Declaring nutrients as a percentage of the Daily Values is intended to prevent misinterpretations that arise with quantitative values. For example, a food with 140 milligrams (mg) of sodium could be mistaken for a high-sodium food because 140 is a relatively large number. In actuality, however, that amount represents less than 6 percent of the Daily Value for sodium, which is 2,400 mg.

On the other hand, a food with 5 g of saturated fat could be construed as being low in that nutrient. In fact, that food would provide one-fourth the total Daily Value because 20 g is the Daily Value for saturated fat.

e. **Nutrition panel footnote**

The % Daily Value listing carries a footnote saying that the percentages are based on a 2,000-calorie diet. Some nutrition labels--at least those on larger packages--have these additional footnotes:

- a sentence noting that a person's individual nutrient goals are based on his or her calorie needs
- lists of the daily values for selected nutrients for a 2,000- and a 2,500-calorie diet.

An optional footnote for packages of any size is the number of calories per gram of fat, and carbohydrate and protein.

f. **Format modifications**

In some circumstances, variations in the format of the nutrition panel are allowed. Some are mandatory. For example, the







labels of foods for children under 2 (except infant formula, which has special labeling rules under the Infant Formula Act of 1980) may not carry information about saturated fat, polyunsaturated fat, monounsaturated fat, cholesterol, calories from fat, or calories from saturated fat.

The reason is to prevent parents from wrongly assuming that infants and toddlers should restrict their fat intake, when, in fact, they should not. Fat is important during these years to ensure adequate growth and development. The labels of foods for children under 4 may not include the % Daily Values for total fat, saturated fat, cholesterol, sodium, potassium, total carbohydrate, and dietary fiber. They may carry % Daily Values for protein, vitamins and minerals, however. These nutrients are the only ones for which FDA has set Daily Values for this age group.

Thus, the top portion of the "Nutrition Facts" panels of foods for children under 4 will consist of two columns. The nutrients' names will be listed on the left and their quantitative amounts will be on the right. The bottom portion will provide the % Daily Values for protein, vitamins and minerals. Only the calorie conversion information may be given as a footnote.

Some foods qualify for a simplified label format. This format is allowed when the food contains insignificant amounts of seven or more of the mandatory nutrients and total calories. "Insignificant" means that a declaration of zero could be made in nutrition labeling, or, for total carbohydrate, dietary fiber, and protein, the declaration states "less than 1 g."

For foods for children under 2, the simplified format may be used if the product contains insignificant amounts of six or more of the following: calories, total fat, sodium, total





carbohydrate, dietary fiber, sugars, protein, vitamins A and C, calcium, and iron.

If the simplified format is used, information on total calories, total fat, total carbohydrate, protein, and sodium--even if they are present in insignificant amounts--must be listed. Other nutrients, along with calories from fat, must be shown if they are present in more than insignificant amounts. Nutrients added to the food must also be listed.

Some format exceptions exist for small and medium-size packages. Packages with less than 12 square inches of available labeling space (about the size of a package of chewing gum) do not have to carry nutrition information unless a nutrient content or health claim is made for the product. However, they must provide an address or telephone number for consumers to obtain the required nutrition information.

If manufacturers wish to provide nutrition information on these packages voluntarily, they have several options: (1) present the information in a smaller type size than that required for larger packages, or (2) present the information in a tabular or linear (string) format.

The tabular and linear formats also may be used on packages that have less than 40 square inches available for labeling and insufficient space for the full vertical format.

Other options for packages with less than 40 square inches of label space are:

- abbreviating names of dietary components
- omitting all footnotes, except for the statement that "Percent Daily Values are based on a 2,000-calorie diet"
- placing nutrition information on other panels readily seen by consumers.

