

Preparing to Apply for Drought Relief

June 14, 2022

Stu Lourey, Minnesota Farmers Union
Kathy Zeman, Minnesota Farmers' Market Association

Preparing to Apply for Drought Relief collaborators:



Preparing to apply: What do you need?

- List of expenses
- IRS W9

What is drought relief? It is financial assistance.

- Get paid back for extra expenses you paid because of the drought in 2021
- Not for crop losses, only for extra expenses
- You must have paid the extra expenses between June 1, 2021, and May 22, 2022

Who can apply for drought relief?

- Farmers in all Minnesota counties EXCEPT Goodhue, Rice, Wabasha, Winona.
 - Farmers who earn \$1,000 or more from their farm each year
 - A business or organization that operates a farm
 - Only one application per farm
- Livestock farmers
- Specialty Crop farmers

What are specialty crops?

<https://www.ams.usda.gov/services/grants/scbgrp/specialty-crop>

What expenses qualify?

- Only expenses you already paid, between June 1, 2021 and May 22, 2022
- Only expenses that were extra because of the drought

Example expenses: Irrigation

- Water tank
- Water wagon or trailer
- Pipe
- Hose
- Drip irrigation line
- Nozzles and valves
- Well
- Pump
- If you paid someone to help do watering

Example expenses: Replacing a dead crop

If your specialty crop died and you paid to replace the plants:

- seeds
- seedlings
- started plants

If you paid people to help you replace a crop:

- Tilling the soil
- Re-planting work
- Paying an advisor

Example expenses: Mulch

If you bought extra mulch to hold moisture in the soil:

- Straw or hay
- Wood chips
- Plastic

If you paid someone to help with the extra work of mulching plants

What records should you assemble?

- Store receipts from buying extra supplies because of the drought
(such as watering equipment, seeds, plants, or mulch)
- Record of payments to people for doing extra work because of the drought
(such as to water plants, re-plant, or put down mulch)
 - This could be a copy of checks you wrote to pay people for extra work

What if you did not save receipts for things you bought?

- Copy of checks you wrote to buy supplies
- List of things you bought and how much each thing cost
- Write a statement that these expenses are true and correct, and sign it

What if you paid people for extra work in cash?

- Make a list of who you paid, and when, and how much
- Write a statement that these expenses are true and correct, and sign it

What should you do with your records of expenses?

- Do not send the records to Minnesota Department of Agriculture.
- Keep the records in case the Minnesota Department of Agriculture has questions later about your expenses.
- Keep these records for 6 years.

W-9 Form

If you want to apply for drought relief,
you must also fill out a W-9 form
for the Minnesota Department of Agriculture


A W-9 form
looks like this.
It asks for your
name and tax
identification
number.

Form W-9 (Rev. October 2018) Department of the Treasury Internal Revenue Service	Request for Taxpayer Identification Number and Certification ► Go to www.irs.gov/FormW9 for instructions and the latest information.	Give Form to the requester. Do not send to the IRS.																											
1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.																													
2 Business name/disregarded entity name, if different from above																													
Print or type. See Specific Instructions on page 3.	3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes.																												
	<div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ► _____ <small>Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.</small> </div> <div> <input type="checkbox"/> C-Corporation <input type="checkbox"/> S-Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Other (see instructions) ► _____ </div> </div>																												
	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <small>(Applies to accounts maintained outside the U.S.)</small>																												
	5 Address (number, street, and apt. or suite no.) See instructions.																												
6 City, state, and ZIP code		Requester's name and address (optional)																											
7 List account number(s) here (optional)																													
Part I Taxpayer Identification Number (TIN)																													
Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see <i>How to get a TIN</i> , later.																													
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> Note: If the account is in more than one name, see the instructions for line 1. Also see <i>What Name and Number To Give the Requester</i> for guidelines on whose number to enter. </div> <div style="width: 35%;"> <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <tr> <th colspan="9">Social security number</th> </tr> <tr> <td style="width: 25px;"> </td><td style="width: 25px;"> </td><td style="width: 25px;"> </td><td style="width: 25px;"> </td><td style="width: 25px;"> </td><td style="width: 25px;"> </td><td style="width: 25px;"> </td><td style="width: 25px;"> </td><td style="width: 25px;"> </td> </tr> <tr> <td colspan="3">-</td> <td colspan="3">-</td> <td colspan="3"></td> </tr> </table> </div> </div>			Social security number																		-			-					
Social security number																													
-			-																										
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> or </div> <div style="width: 35%;"> <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <tr> <th colspan="9">Employer identification number</th> </tr> <tr> <td style="width: 25px;"> </td><td style="width: 25px;"> </td><td style="width: 25px;"> </td><td style="width: 25px;"> </td><td style="width: 25px;"> </td><td style="width: 25px;"> </td><td style="width: 25px;"> </td><td style="width: 25px;"> </td><td style="width: 25px;"> </td> </tr> <tr> <td colspan="3">-</td> <td colspan="3"></td> <td colspan="3"></td> </tr> </table> </div> </div>			Employer identification number																		-								
Employer identification number																													
-																													
Part II Certification																													
Under penalties of perjury, I certify that:																													
1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and																													
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and																													
3. I am a U.S. citizen or other U.S. person (defined below); and																													
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.																													
Certification Instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign this certification, but you must provide your correct TIN. See the instructions for Part II, later.																													
Sign Here	Signature of U.S. person ► _____	Date ► _____																											
General Instructions																													
Section references are to the Internal Revenue Code unless otherwise																													
• Form 1099-DIV (dividends, including those from stocks or mutual funds) • Form 1099-MISC (various types of income, prizes, awards, or gross																													

The W-9 is from the Internal Revenue Service (IRS) of the federal government.

Form W-9 (Rev. October 2018) Department of the Treasury Internal Revenue Service	Request for Taxpayer Identification Number and Certification Go to www.irs.gov/FormW9 for instructions and the latest information.	Give Form to the requester. Do not send to the IRS.
1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.		
2 Business name/disregarded entity name, if different from above		
Print or type. See Specific instructions on page 3.	3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes.	
	<div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) <i>Note:</i> Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner. </div> <div> <input type="checkbox"/> C-Corporation <input type="checkbox"/> S-Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Other (see instructions) </div> </div>	
	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) Exemption from FATCA reporting code (if any) <i>(Applies to accounts maintained outside the U.S.)</i>	
	5 Address (number, street, and apt. or suite no.) See instructions.	
6 City, state, and ZIP code		Requester's name and address (optional)
7 List account number(s) here (optional)		
Part I Taxpayer Identification Number (TIN)		
Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see <i>How to get a TIN</i> , later.		
<i>Note:</i> If the account is in more than one name, see the instructions for line 1. Also see <i>What Name and Number To Give the Requester</i> for guidelines on whose number to enter.		
Part II Certification		
Under penalties of perjury, I certify that:		
1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and 2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and 3. I am a U.S. citizen or other U.S. person (defined below); and 4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.		
Certification Instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign this certification, but you must provide your correct TIN. See the instructions for Part II, later.		
Sign Here	Signature of U.S. person 	Date
General Instructions		
Section references are to the Internal Revenue Code unless otherwise		
• Form 1099-DIV (dividends, including those from stocks or mutual funds) • Form 1099-MISC (various types of income, prizes, awards, or gross		

W-9 Section 1


Form W-9 (Rev. October 2018) Department of the Treasury Internal Revenue Service	Request for Taxpayer Identification Number and Certification	Give Form to the requester. Do not send to the IRS.
► Go to www.irs.gov/FormW9 for instructions and the latest information.		
	1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.	
	2 Business name/disregarded entity name, if different from above	

Section 1 - Name:

Write your FULL name (the same as on your tax return)


W-9 Section 2

Form W-9 (Rev. October 2018) Department of the Treasury Internal Revenue Service	Request for Taxpayer Identification Number and Certification	Give Form to the requester. Do not send to the IRS.
▶ Go to www.irs.gov/FormW9 for instructions and the latest information.		
1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.		
2 Business name/disregarded entity name, if different from above		



Section 2 – Business name:

Write here only if you have a business name. It is okay to leave this blank if you don't have a business name.

<p>3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes.</p> <p> <input checked="" type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate</p> <p><input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ► <input type="text"/></p> <p>Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.</p> <p><input type="checkbox"/> Other (see instructions) ► <input type="text"/></p>	<p>4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):</p> <p>Exempt payee code (if any) <input type="text"/></p> <p>Exemption from FATCA reporting code (if any) <input type="text"/></p> <p><small>(Applies to accounts maintained outside the U.S.)</small></p>
--	---

Section 3 – Federal Tax Classification:

Mark “individual/sole proprietor” if it’s just you, the farmer and not a larger business or an organization.


W-9 Section 4

<p>3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes.</p> <p><input checked="" type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate</p> <p><input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ► <input type="text"/></p> <p>Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.</p> <p><input type="checkbox"/> Other (see instructions) ► <input type="text"/></p>	<p>4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):</p> <p>Exempt payee code (if any) <input type="text"/></p> <p>Exemption from FATCA reporting code (if any) <input type="text"/></p> <p><small>(Applies to accounts maintained outside the U.S.)</small></p>
---	---

Section 4 – Exemptions:

If you marked “Individual/sole proprietor,” you can leave this whole section blank.

W-9 Sections 5, 6, and 7



5 Address (number, street, and apt. or suite no.) See instructions.	Requester's name and address (optional)
6 City, state, and ZIP code	
7 List account number(s) here (optional)	

Section 5 – Address:


Write the street address for where you get your mail.

Section 6 – City, state, and ZIP code:

Write the city, state, and ZIP code that go with your mailing address.

W-9 Sections 5, 6, and 7

5 Address (number, street, and apt. or suite no.) See instructions.	Requester's name and address (optional)
6 City, state, and ZIP code	
7 List account number(s) here (optional)	



Section 7 - account number(s)

You can leave this section blank.

W-9 Part I

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number										

or

Employer identification number										

Part 1 – Taxpayer Identification Number (TIN)

- If you are running your farm just as yourself, write in your Social Security Number. Leave the Employer identification number blank.

W-9 Part I

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number										

or

Employer identification number										

Part 1 – Taxpayer Identification Number (TIN)

If you are a resident alien in the United States, and you cannot get a social security number, use your individual taxpayer identification number (ITIN). Enter it in the social security number box.

W-9 Part I

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number										

or										
Employer identification number										

Part 1 – Taxpayer Identification Number (TIN)

- If your farm is organized as a business and you have an Employer Identification Number (EIN), fill in that number and leave the Social Security Number part blank.

W-9 Part II

Part II Certification	
Under penalties of perjury, I certify that:	
<ol style="list-style-type: none">1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and3. I am a U.S. citizen or other U.S. person (defined below); and4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.	
Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.	
Sign Here	Signature of U.S. person ► <div style="text-align: right;">Date ►</div>

Part 2 – Certification:

This is a legal document that says you are providing true and correct information.

Read this carefully, then add your signature and the date.

What will happen with your information on the W-9 form?

- The Minnesota Department of Agriculture will use your name and tax identification number from your W-9 form to send a report to the Internal Revenue Service.
- The drought relief payment is taxable as income, so the Internal Revenue Service will get a report that you were paid the drought relief money.

What will happen with your income taxes?

- In January of 2023, the Minnesota Department of Agriculture will send you a tax form that says how much money they paid you in 2022.
- You must count the drought relief money as income when you do your 2022 taxes.
- You must send a copy of the tax form to the Internal Revenue Service along with your other tax documents.

When can you apply for the drought relief?

- The Minnesota Department of Agriculture will open the online application portal on Tuesday, June 21, 2022
 - The online application will be open for 10-12 business days.
 - Minnesota Department of Agriculture will accept mailed in applications, but they must be postmarked by the closing date.
- Minnesota Department of Agriculture may open a second round of drought relief funding if there is budgeted money left after the first round.
- More information from Minnesota Department of Agriculture:
<https://www.mda.state.mn.us/droughtrelief>

More help available

- How to Apply for the Drought Relief Webinar
 - Wednesday, June 22, 2022 from 12 to 1:15 p.m.
 - The webinar will be available in Spanish, Hmong, Swahili, Somali, and English languages.
 - Register here: bit.ly/applydrought
- Drought Relief Application Clinic at The Good Acre, 1790 Larpenteur Ave W, Falcon Heights, MN 55113.
 - Wednesday, June 29, 2022 from 4 to 7 p.m.
 - People will be present to help complete applications

Questions & Summary

- Webinar recordings available on MISA's website:
<https://www.misa.umn.edu/2021-drought-relief>
- Contact for help:
 - KaZoua Berry, Big River Farms - (651) 504-8105
 - Jane Jewett, MISA - jewet006@umn.edu; (218) 670-0066
 - Stu Lourey, MFU - stu@mfu.org; (320) 232-3047 (C)
 - Minnesota Dept. of Ag - drought@state.mn.us
 - David Van Eeckhout, TGA - david@thegoodacre.org; (612) 756-0690
 - Kathy Zeman, MFMA - kzeman@mfma.org; (507) 664-9446