

Overview of County Agriculture Investment Programs

Ag. Diversification:

Eligible Categories:

- A. Commercial Vegetable, Mushroom, and Herb Production
- B. Commercial Fruit and Sweet Sorghum Production
- C. Production of Commercial Ornamental Horticultural Products
- D. Greenhouse Construction or Conversion for Horticultural Enterprises
- E. Small Animal Production
 - 1. Honeybees, 2. Rabbit Production
- F. Poultry Production: Pastured & Other Fowl
- G. Commercial Aquaculture Production
- H. Equine Production
- I. Direct-To-Consumer Livestock Production
- J. Agri-tourism Development
- K. Certified/Commercial Kitchen Construction or Renovation
- L. Sod Production
- M. Timber Production, Utilization, & Marketing
 - 1. Timber Production & Marketing, 2. Forests Products Utilization & Marketing
- N. Marketing and Promotion

Commercial Poultry , Dairy and Swine:

Eligible Categories:

- I. Eligible Investment Items for Commercial Poultry Diversification

Poultry PREREQUISITES:

- Funded participants are recommended to consult with the UK Poultry Extension Specialist for up-to-date information on building, production equipment, and environmental security.
1. Animal waste handling and distribution equipment (excluding motorized vehicles)
 2. Insect sprayers/cleaning and disinfection equipment
 3. Compost equipment/mortality disposal equipment
 4. Building modifications and energy saving equipment to improve profitability and net income.
 5. Alternative water sources
 6. Litter storage/composting buildings. Producers receiving funds through the Conservation District for litter facilities are not eligible for this item.

Dairy PREREQUISITES:

- Applicant shall be permitted by the State of Kentucky Milk Safety Branch
1. Milking equipment and generator
 2. Feed ways, forage/TMR mixers, feeding equipment systems, automatic waterers

3. Calf hutches, palpation rails, hoof trimming chute, free-stall mattresses including waterbeds, specialized equipment for bedding free stalls, and footbaths
4. Cooling fans, shade cloths and sprinkler systems
5. Renovation of existing dairy barns or existing tobacco barns into dairy facilities
6. Construction of new dairy or young stock facilities
7. Cooling and raw milk storage equipment
8. Animal waste handling and distribution equipment (excluding motorized vehicles)
9. Rubber flooring for concrete heavy cow and human traffic area.

Swine :

1. Materials to renovate existing swine facilities or existing tobacco barns into swine facilities
2. Construction of new swine facilities and modification to existing facilities
3. Feed ingredient and complete diet sampling equipment and analysis
4. Purchase of boar semen to improve the genetic base of the swine herd and/or equipment needed for on-farm collection, processing, storage, and utilization of semen in an artificial insemination program
5. Purchase of up to 20 high quality replacement gilts to improve the genetic base of the swine herd
6. Animal waste handling and distribution equipment (excluding motorized vehicles)
7. Equipment for on-farm pregnancy detection and body condition scoring of sows
8. Site preparation, including on-site utility extensions and officially permitted on-site waste treatment facilities.

On Farm Energy Efficiency:

Eligible Items:

A. Upgrades to all Applicable Farms

1. New installation of, or conversion to Energy Efficient Grain Drying Systems with suggested improvements such as:
 - a. Addition of recirculation of cooling section exhaust air
 - b. New dryers with increased column width
 - c. Implementation of dryeration
 - d. Addition of in-bin cooling
2. Milk precooler
3. Automatic milker takeoffs
4. Variable speed drives for vacuum pumps
5. Heat recovery from refrigeration equipment
6. Scroll compressor
7. Timers for tractor engine block heaters
8. Energy free or low energy waterers
9. *NEMA* labeled Premium Efficiency motors
10. Low pressure irrigation systems, conversion from Sprinkler to Drip irrigation, or Variable Frequency Drives for well pumps
11. Renovation expenditures recommended by a previously completed energy audit or energy assessment
12. Installation expenses of above items when performed by a hired contractor and

documented by invoices and cancelled checks.

B. Energy Efficient Building Components & Renewable Energy Projects

1. *Energy Star*, CFL, Cold Cathode, T-8, LED, or High Intensity Discharge (HID) lights and lighting fixtures
2. Insulation
3. Programmable thermostats and controllers
4. High Volume Low Speed (HVLS) fans, energy efficient Low Volume High Speed Exhaust or Circulation fans (The BESS lab at the University of Illinois rates exhaust fans)
5. *Energy Star* windows, doors, skylights, roofing, or other *Energy Star* building components
6. *Cool Roof* system
7. Tankless, solar, or water heaters with a thermal efficiency of at least 90%
8. EPA approved waste oil or biomass fired boilers, hydronic furnaces, heaters and stoves
9. Renovation expenditures recommended by a previously completed energy audit or energy assessment
10. Installation expenses of above items when performed by a hired contractor and documented by invoices and cancelled checks.

C. Professional Fees and Training

1. Documented expenses not covered by other programs for the completion of an onfarm energy audit or assessment
2. Third party professional fees associated with the completion of a grant application within a 2010 or 2011 United States Department of Agriculture, United States Department of Energy, or other non Kentucky Agricultural Development Fund program related to on-farm energy efficiency or renewable energy production (Executive Summary of completed application and verification of its submission to the appropriate program must be submitted with documented expenses.)
3. Third party professional fees for environmental, technical, geological, biological, engineering, and chemical consulting associated with the development of projects in the area of On-Farm Energy Efficiency and Production
4. Registration fees for the attendance of workshops and conferences focusing on the area of On-Farm Energy Efficiency and Production.

D. Biomass Energy Crop Production

1. Seed, rootstock, or other plant material used to establish a dedicated biomass energy crop
2. Limestone based on a soil test taken within the past 12 months and prior to lime application
3. Specialized equipment, structures, and other supplies not currently owned by the applicant that are essential for the production, harvesting, and or transportation of biomass energy crops (excluding trailers and wagons)
4. Hired services needed for the production, harvesting, and or transportation of biomass energy crops.

E. Equipment and Infrastructure for On-Farm Energy Production

1. Equipment, structures, or other supplies necessary to convert animal waste into

useable energy

2. Equipment, structures, or other supplies necessary to connect an on-farm electric power generator fueled by renewable fuels to the electric power utility's distribution system
3. Equipment, structures, or other supplies necessary to retrofit existing oil or gas wells to which the farmer/applicant owns the mineral rights and can utilize the fuel within their farming operation
4. Equipment, structures, or other supplies necessary to convert biomass crops into useable energy
5. Equipment, structures, or other supplies necessary to convert grains and oilseeds into ethanol or biodiesel
6. Fuel testing services and kits needed to monitor fuel quality
7. Equipment, structures, or other supplies necessary to harness available solar, wind, geothermal, or other renewable sources of energy.

Farm Fencing Improvement:

Eligible Items:

Prerequisites

- Producers shall conform to the state fencing law, as set out in KRS 256.
- Per Linear Foot – Producers shall provide a FSA Farm Map or a PVA Farm Map with the total distance of the fence being built drawn on the map. The maximum cost-share is \$1.50/linear foot installed; total reimbursement not to exceed 50% of the total project cost.
- Administrators may require agronomic justification for reimbursement of fence

1. Posts, fences, and supplies, including woven and wire fencing.
2. Interior fencing and plank fencing is eligible.
3. Gates are eligible
4. No mechanized equipment will be eligible, except as provided by rental or contract.

Farmland Improvement:

Eligible Items:

A. Forage/Pasture Development

Only certified, PVP or proprietary forage varieties will be eligible for cost share. In addition, these varieties should have documented performance in university trials such as those conducted by the UK College of Agriculture. Other varieties will be considered with documentation of performance upon written request to UK through the County Extension Agent for Agriculture and Natural Resources.

Prerequisites:

- A soil test, taken within the last 12 months, must be conducted prior to lime or seed application.
- Only Certified or Plant Variety Protected or Proprietary varieties will be acceptable (see list of approved varieties attached).
- The variety must be specified on the receipt.
- Clover: If soil pH is below 5.0, then clover seeding should be delayed by 6

months after lime application. Alfalfa: If soil pH is below 5.5, then seeding must be delayed by one year after limestone application.

Cost-share is on seed and limestone only, based on receipts from vendors.

Cost-share Items:

1. Seed: Only varieties specified in the Seed List (Appendix A) are eligible for costshare.

a. Clover – red and white

b. Alfalfa

c. Summer Perennial Forages

i. Bermuda grass

ii. Big Bluestem

iii. Eastern Gamma Grass

iv. Caucasian Bluestem

d. Cool Season Forages

i. Endophyte-free Fescue

ii. Kentucky Bluegrass

iii. Novel Endophyte Fescue

iv. Orchardgrass

v. Timothy

vi. Festulolium

e. Other Crop

i. Corn (less than 10 acres)

ii. Wheat

iii. Rye

iv. Ryegrass

v. Oats

vi. Soybean (forage beans only)

vii. Brassicas (i.e. turnips)

2. Limestone based on a soil test taken within the past 12 months & prior to lime application.

3. Inoculants

4. Animal waste handling and distribution equipment (excluding motorized vehicles)

B. Pasture / Grain Improvement

Prerequisites:

A soil test, taken within the last 12 months, must be conducted prior to lime or seed application.

Cost-share is on limestone only, based on receipts from vendors.

COST SHARE ITEMS:

1. Limestone based on a soil test taken within the past 12 months & prior to lime application.

2. Specialized spraying equipment (not self-propelled)

C. Filter Fabric Pads for Heavy Use Areas:

COST SHARE ITEMS:

Material costs associated with development of filter fabric pads for improved surface drainage under bales and in heavy use areas.

D. Subsurface Drainage (Tiling)

Material costs necessary for the installation of subsurface drainage systems for improved soil drainage.

E. Seeding: Custom Services & Rental of Equipment

Prerequisites:

- For rental of seeding equipment, reimbursement will not exceed 50% of the rental cost of said equipment.
 - Only labor provided through a custom seeding service is eligible for reimbursement, labor for using rental equipment is not reimbursable.
1. Rental no-till drill or pasture renovator is eligible for reimbursement on a costshare basis.

SOIL TESTS:

Producers are eligible for reimbursement for soil tests taken for any CAIP eligible crop, not limited to the establishment year.

- a) Soil test must be performed by UK or other certified laboratory;
- b) Documentation required for compensation should include a copy of the soil test and receipts indicating purchase of the recommended soil amendments;
- c) If no soil amendments are recommended according to the soil test, the producer is still eligible for reimbursement; and,
- d) A compensation maximum of five soil tests per producer per program period applies.

Farm Structure and Commodity Handling:

Eligible Items:

A. Hay & Straw Storage

1. Materials and construction of permanent hay sheds, pole barn or Quonset hut (hoop structures) type hay/straw storage facilities.
2. Materials necessary to convert / retrofit existing structures for the sole purpose of hay/straw storage.
3. Documented hired labor is eligible.

IMPORTANT: Hay & straw storage facilities must be used to store hay and straw only. Recipients of Agricultural Development Funds are required to retain ownership of facilities for at least five years.

B. Commodity Handling Equipment

COST SHARE ITEMS (non-motorized)

- * Bale accumulators
- * Bale kickers
- * Bale wrappers/Forage Baggers
- * Concrete/portable feed bunks
- * Elevators & Augers
- * Front end loader &/or attachments
- * Hay forks
- * Hay rings
- * Hay spears
- * Mechanical bale loaders
- * Scissor lift

IMPORTANT: Commodity Handling Equipment recipients of Agricultural Development Funds are required to retain ownership and maintenance of equipment for at least five years.

C. Commodity Storage

1. Purchase of new or used grain or feed bins.
2. Repair, upgrade or modernization of existing grain or feed bins.
3. Repair, upgrade or modernization of drying and handling equipment that will increase efficiency, improve quality and/or add value to the grain.
4. Materials to construct/convert/retrofit a commodity storage facility.

Cattle Genetic Improvement:

Eligible Items:

A. Bull purchase or lease and semen purchases:

Ownership Requirements: Ownership of bulls must be maintained for a minimum of two (2) successive breeding seasons, not in the same year. The only exception is listed below:
Early Emergency Release Clause – The local administrator shall reserve the right to approve an early release, if it is determined that an animal due to physical or disposition problems, is no longer considered sound for breeding purposes. The local program administrator can require the animal to undergo an examination by a licensed veterinarian to assist in determination.

B. Artificial Insemination

C. Heifer Purchases:

Ownership Requirements: Ownership of heifers must be maintained for a minimum of two (2) successive breeding seasons, not in the same year. The only exception is listed below:

Early Emergency Release Clause – The local administrator shall reserve the right to approve an early release, if it is determined that an animal due to physical or disposition problems, is no longer considered sound for breeding purposes. The local program

administrator can require the animal to undergo an examination by a licensed veterinarian to assist in determination.

Goat and Sheep Investment:

Eligible Items:

A. On-farm Goat/Sheep Handling

Prerequisites:

A minimum herd size of 20 breeding females is required to qualify for equipment cost share.

Cost Share Items:

1. Commercial head gate and holding chute
2. Tilt table or sheep sling
3. Working chute
4. Crowding tub and gate
5. Panels & Gates
6. Loading chute
7. Footbath
8. Drench gun and reservoir
9. Foot trimmers
10. Small livestock scales
11. Feeders: Bunk or creep feeders
12. Goat Tote
13. Kidding Pens/Lambing jugs/pens
14. Renovated and New Facilities
15. FAMACHA chart: to measure anemia

B. Buck/Ram and/or Semen Purchase for Herd/Flock Improvement

Cost Share Items:

1. Bucks
2. Semen
3. Rams

C. Buck/Ram Lease for Herd/Flock Improvement

D. Breeding Female Purchase

E. Dairy Facilities for Goats

F. Wool Processing & Value-added Production

Cattle Handling :

Eligible Items:

A. Handling Facilities and Equipment for Beef Cattle

Prerequisites:

- Minimum herd size: 10 mature cows (Average herd size in KY is 26), or backgrounding 35 cattle.
- Applicant must become Beef Quality Assurance (BQA) certified before funding is received.

COST SHARE ITEMS:

1. Commercial headgate
2. Holding chute
3. Squeeze
4. Curved or offset working chute
5. Crowding tub and gate
6. Gates and corral panels
7. Loading chute
8. Scale
9. Flooring: Gravel*, filter fabric, concrete.
10. Creep gate, creep feeder, mineral feeder
11. Renovation of existing beef barns or existing tobacco barns into beef facilities
12. Construction of new beef facilities where no buildings exist for renovation
13. Animal waste handling and distribution equipment (excluding motorized vehicles)
14. Feed ways, forage mixers, feeding equipment systems, automatic waterers
15. Temporary or Permanent Shade (exclude trees) – material costs necessary for construction of temporary or permanent shade for cattle.

B. Secure Lot or Pen for Mature Beef Bulls

Prerequisites:

- Minimum herd size: 10 mature cows (Average herd size in KY is 26).
- Applicant must become Beef Quality Assurance (BQA) certified before funding is received.

COST SHARE ITEMS:

1. Fences: Posts, 2 x 6 planks, 2 ½ inch pipe rails, and related materials.
2. Bull or Heavy Duty Gates
3. Waterers
4. Feed bunk/trough
5. Flooring: Gravel*, filter fabric, concrete.

C. Pens for weaning/receiving calves

This program is for constructing weaning and/or receiving calf pens. These funds shall not be used for building perimeter fences. In order to qualify for funding, location and design of the lot shall be consistent with the producer's Agricultural Water Quality Plans.

Prerequisites:

- Minimum herd size: 10 mature cows (Average herd size in KY is 26), or backgrounding 35 cattle.

- The producer should have a minimum working facility, such as crowding pen, working chute, holding chute, and headgate, before he applies for the weaning calves program.
- Applicant must become Beef Quality Assurance (BQA) certified before funding is received.

COST SHARE ITEMS

1. Fences: Posts and 2 x 6 planks.
2. Bull or Heavy Duty Gates
3. Waterers
4. Feed bunk/trough
5. Flooring: Gravel*, filter fabric, concrete.

D. Handling Facilities and Equipment for Dairy Cattle

Prerequisites:

- Minimum herd size: 40 head

COST SHARE ITEMS

1. Commercial headgate
2. Holding chute
3. Headlock stanchions
4. Catch lanes
5. Management rails
6. Gates for sorting and holding pens
7. Treatment stall
8. Treatment pens
9. Loading chute
10. Hoof trimming table or chute
11. Scale
12. Temporary or Permanent Shade (exclude trees) – material costs necessary for the construction of temporary or permanent shade for cattle.

*Gravel will only qualify if filter fabric is installed as well.

Technology

Eligible Items:

A. Precision Agriculture

Cost Share Items:

1. GPS Monitor/Receiver
2. GPS Light Bar/Guidance System
3. GPS Yield Monitor
4. Spatial Analysis Software/Training (Registration Only)
5. Computer GPS Hardware
6. Variable Rate Application Control Equipment
7. Services related to Spatial Management

B. Animal Data Management

Cost Share Items:

1. Scale Head
1. Readers (Panels, Loops, Wands, and Portals)
2. Management Programs
3. RFID Tags purchased through a KADB approved vendor (e.g. CPH45 tags)
4. Carcass and/or Feed Efficiency Data Collection through a KADB approved vendor

C. Computer Hardware and Record Management Software

Prerequisites:

To be eligible for cost-share on hardware or record management software, the producer must have completed training certification for an eligible software package.

Cost Share Items:

1. Accounting Software
2. Tax Preparation Software
3. Data Base / Inventory Management Software
4. Personal Data Assistant (PDA)
5. Laptop, personal computer, or other hardware upgrades
6. Computer Hardware and Software to assist performance record keeping and financial management
7. One-half the cost of participation in the Kentucky Farm Business Analysis Program
8. One-half the cost of membership in a producer owned marketing cooperative

D. Broadband Internet Service

Prerequisites

To be eligible for reimbursement on one year of service, the producer must have the equipment installed and a copy of a signed service contract (minimum of one-year).

Cost Share Items:

1. 50% of the cost of equipment and installation provided by a broadband provider not to exceed \$250.00 per producer.
2. 50% of the cost of broadband service for a period of one year not to exceed \$40.00 per month (\$480.00 for the one year) per producer.

D. Other Equipment

Cost Share Items:

1. Field Meters - pH, refractometer (Brix-meter), moisture, ERGS, ORP/Oxygen, Sodium, NPK: to monitor nutrients, moisture, etc.
2. Microscopes

ON-FARM WATER ENHANCEMENT

Eligible Cost Share Items will include materials (including filter fabric pads), parts, equipment*, cost of hired contracting construction and drilling for the following on-farm water enhancement systems:

1. Establishing and enhancing on-farms ponds

2. Drilling for subsurface aquifers and well establishments
3. Developing and piping on farm springs
4. Construction of small stream water basins
5. Water hook-up to city/county water lines for farm usage including water meters.
6. Permanent automatic waterers
7. Materials for cisterns for farm usage

*Eligible equipment is defined as equipment used as part of the on-farm water enhancement system, including permanent waterers, underground piping, and fencing to protect water source. It does not include construction or drilling equipment.

Standard Guidelines:

*The County Administrative Entity and/or the County Administrator reserve the right to request or require additional sufficient documentation. Confirmation of fraudulent activity will result in disqualification for future participation.

1. Funds disbursed to producers will be on a reimbursement basis.
2. The producer shall supply a numbered and dated receipt indicating buyer and seller information in order to be eligible for payment. Payment shall only be made for eligible cost-share items identified.
3. Producers who intend to take part in the program shall supply a Social Security Number (SSN) and Farm Serial Number (FSN) to receive payment. Both of these numbers must be supplied to the Kentucky Agricultural Development Board.
4. [For capital improvement/equipment projects] Producers shall provide an annual report to administrators on the program and maintain ownership of the property for 5 years past the participation date in the program. Should a producer fail to maintain ownership of property for the entire 5 years, administrators shall request a return of funds on a prorated basis*. Failure to return funds will result in producer being ineligible to receive additional Kentucky Agricultural Development funds.

*Emergency early release is possible in the case of death, illness, physical inability or transfer within immediate family and must be approved by the local administrative entity.

5. Should the producer fail to utilize funds by the program administrator's reimbursement deadline, said funds shall be reallocated to the next available application.
6. Producers shall retain adequate insurance coverage, if applicable, to replace any and all capital improvement/equipment projects funded with Kentucky Agricultural Development Funds.

The Kentucky Agricultural Development Board recognizes every applicant's right to privacy and understands its obligation to keep applicant/producer information confidential. Any information provided to the Kentucky Agricultural Development Board or Program Administrator on individual producer applications for C.A.I.P., such as the applicant's Social Security Number and Farm Serial Number, will be kept confidential by authority of the Kentucky Agricultural Development Board as granted in KRS 248.701 to 248.727 and by KRS 61.878. The Kentucky Agricultural Development Board does not disclose any nonpublic personal information regarding applicants/producers, past or present, except as permitted or required by the Kentucky Open Records Act, KRS 61.870 to 61.884 or other law(s).