

Kentucky Agricultural Development Fund

2013 Policy & Program Revisions



The following is a summary of the changes approved by the Kentucky Agricultural Development Board at its Nov. 16, 2012 board meeting. Visit <http://agpolicy.ky.gov/> for more detail. Revised program guidelines and applications will be posted no later than Dec. 28, 2012.

Board Policy Changes:

1. A County Council ~~must~~ shall meet within 60 days of receiving an application requesting county funds to act upon and assign a priority, and then forward the signed prioritization sheet to GOAP for action by the Kentucky Agricultural Development Board.
[Adopted 12/18/2009; revised 11/16/2012]
2. All applicants for ~~State~~ Kentucky Agricultural Development Funds shall be registered with the Secretary of State with the exception of governmental entities (e.g. fiscal courts, conservation districts, boards of education), sole proprietorships and general partnerships. ~~prior to submitting an application and~~ Recipients must be in good standing with the Secretary of State prior to receiving funds.
[Adopted 11/18/2005; revised 11/16/2012]
3. Recipients of Agricultural Development Funds shall ~~execute~~ sign and return their contract legal documents with the KADB within six months of the ~~meeting during which they were approved for funding~~ date they are mailed from GOAP. If this requirement is not met, then funding commitments are void and the application must be resubmitted to the Board.
[Adopted 10/14/2004; revised 11/16/2012]

**The above are the most significant modifications to the board's policies; other wording and formatting changes were made, as well. A complete listing of the board's policies will be posted on-line.*

Farmers' Market Infrastructure Competitive Grant Program:

1. Reissued for 2013 with \$250,000 available in state funds.
2. Two application deadlines: May 31, 2013 or Oct. 25, 2013
(applications received by each deadline will be scored and ranked together)
3. The funding limit for state funds was removed, but total Kentucky Agricultural Development Funds (state & county combined) still cannot be more than 50% of the project.
4. In addition to construction or expansion of a structure, farmers' markets may apply for funds related to marketing, community outreach, vendor development and training, excluding personnel.

On-Farm Energy Efficiency & Production Incentives Program:

1. Reissued for 2013 and will replenish state funds available for the program to \$1 million.
 2. Maximum reimbursement was raised to 50%; annual maximum funding increased to \$15,000.
 3. The following statement added to clarify funding limit:
Only one application per farm operation may be approved for funding. An individual may not receive funding as both a sole proprietor and as part of a farm business entity. Proof may be requested to show that immediate family members applying for funds are indeed independent farm operations.
 4. A question about prior funding will be added to the application and scoring criteria.
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Shared-Use Equipment Program:

- The following equipment will be added to the Shared-use Equipment Program:
 - Cover Crop Roller Crimper
 - Silage choppers

County Agricultural Investment Program (CAIP):

Reorganization of Standard Guidelines & Investment Areas:

The KADB has reorganized the CAIP program to align the CAIP investment areas and standard guidelines for ease of use and greater consistency. The following are the new headings for the standard guidelines and the investment areas.

Standard Guidelines:

- A. Application Guidelines
- B. Administrating Entity's Responsibilities
- C. Administrative Expenses
- D. Reporting Requirements
- E. Universal Producer Application
- F. Producer Guidelines & Responsibilities

Investment Areas[^]:

1. Agricultural Diversification (horticulture, aquaculture, timber)
2. Animal, Large (beef, dairy, equine)
3. Animal, Small (goat, sheep, swine, rabbits, bees)
4. Farm Infrastructure (structures, composting)
5. Fencing & On-Farm Water
6. Forage & Grain Improvement
7. On-Farm Energy*
8. Poultry & Other Fowl
9. Technology & Leadership Development*
10. Value-Added & Marketing

** No changes in structure from 2012 investment area.*

[^] A document showing the movement of specific enterprises within the new investment areas is available at <http://agpolicy.ky.gov>.

General CAIP Guideline Revisions:

1. **An administrating entity shall be made up of three or more individuals, with** at least two co-signers for the purpose of signing checks and disbursing funds from the program's account. [B.1.]
2. **Each producer application shall be scored by two or more individuals from the administrating entity.** [B.2.]
3. **Producer applications shall be made available to producers for a minimum of two consecutive weeks following the two week advertisement period.** [B.8.]

4. CAIP funds received shall be used for improvements on the land assigned to the Farm Serial Number (FSN) provided on the producer application, independent of the county in which the FSN is registered. [E.9.]
5. Only one application per farm operation may be approved for funding. An individual may not receive funding as both a sole proprietor and as part of a farm business entity.

The program administrator may request proof from the applicant to show that immediate family members applying for funds are indeed independent farm operations. [F. 3.]

6. Reimbursements for purchases made from the participant's immediate family (father, mother, brother, sister) are not eligible. [F.5.]
7. Cost-share shall not be provided for items traded or sold between producers who share interest in a farm operation. This includes the use of a third party to buy/sell the same items amongst the producers. [F.6.]
8. Participation in CAIP requires a minimum of one (1) educational component attained within the last 6-months related to farm management, production, best management practices or marketing. Examples of types of sessions include workshops, seminars, field days, university sanctioned on-line courses, webinars, etc.
 - a. Administrating entity shall consult with the county council, cooperative extension, conservation and others when determining if a session meets this requirement.
 - b. Documentation of attendance is required and the session must not have been submitted to meet the CAIP education requirement for a prior year.
 - c. Cost-share payments shall not be issued to producers before the educational requirement has been met.

Note: Attendance at an informational meeting to review updated guideline changes and discuss the producer application shall not qualify as the producer's educational requirement. [F.12.]

Producer Application Changes:

1. **Added to "Introduction"**
 - a. "Does this FSN span multiple counties? Yes or No If yes, then please list:____
 - b. Are you applying as a tenant farmer? Yes or No If yes, then you may be asked to provide a redacted copy of your schedule F and written approval from the land owner or an FSA-578, giving you permission to use the owner's FSN and granting access to the cost-share item (a minimum of five years for capital improvements).
2. **Added to Question #5:** ... "or schedule C" ...
3. **Question #9 Revised and points added:**

Do you have a completed Kentucky Agriculture Water Quality Act (AWQA) Plan for the farm for which you are requesting CAIP funds on file at your conservation district office?
_ Yes (10 pts.) _ No (0 pts.)

4. **Added to the disclaimer prior to producer signature line:**

Funded participants shall adhere to all local, state and federal rules and regulations.

Multi-Area Changes:

5. **Custom services** added to the “animal waste handling and distribution equipment (excluding motorized vehicles)” cost-share item within the following Investment Areas: Large Animal, Small Animal, and Poultry & Other Fowl.
6. **Misting/sprinkling system** added as an eligible cost-share item to the following Investment Areas: Large Animal (Cattle – Beef & Dairy) and Small Animal (Swine).
7. **Clarification of Intent with Livestock Genetics** - the following statement will be added to all investment areas with livestock genetics:

The intent of genetics investments is to aid producers in bringing superior genetics into their herd.

Cost-share shall not be provided for animals traded or sold between producers who have co-mingled herds or share sires. This includes the use of a third party to buy/sell the same animals from the co-mingled herd.

Agricultural Diversification:

Exclusion added to C. Timber Production, Utilization and Marketing:

- Items for woodworking hobbies and refurbishing of existing wood products are not eligible for cost-share.

Animal, Small:

- **Purchase of boar** added as an eligible cost-share item within the Swine Production category [B.1.b.]

Forage & Grain Improvement:

1. The following added to A. Forage, Pasture and Grain Improvement as #7:

Rental of land clearing equipment or custom land clearing services.

Note: Participants intending to use this cost-share item who also participate in USDA programs should contact FSA and/or NRCS to ensure compliance with Highly Erodible Land and Wetland Conservation Compliance, which is required for USDA program compliance.

2. **Seat Belt / Rollover Bar** added to B. Commodity Handling and Forage Equipment as #14.

Technology & Leadership Development:

The following were **removed** as eligible cost-share items:

- Microscopes [C.2.]
- Broadband service for a year [E.2.]

Value-Added & Marketing:

The following were added as #1 and #2 to C. Certified/Commercial Kitchen Construction or Renovation:

- **Renovation of existing farm structures into appropriate facilities for certified/commercial kitchen**
- **Construction, including site preparation, of new on-farm facilities for certified/commercial kitchen**