



AGRICULTURAL DIVERSIFICATION INVESTMENT AREA

*(Approved September 21, 2001)
(Updated December 18, 2009)*

This document provides eligible investments and is considered to be the standards by which an investment area is to be implemented.

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

Questions concerning these guidelines should be directed to the Governor’s Office of Agricultural Policy at (502) 564-4627. Application for funds must be directed through the local County Agricultural Development Council(s).

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I. Eligible Categories

A. Commercial Vegetable, Mushroom, and Herb Production

Cost Share Items:

1. Seeds, seedlings, spores, cuttings, and vegetable transplants in conformance with UK recommendations. In consultation with CES may include test varieties as part of a demonstration
2. Transplanting or cultivation equipment (not self-propelled)
3. Soil, media for plant production
4. Containers for starting and selling herbs
5. Plastic or plasticulture supplies and plastic laying equipment; materials, as allowed in the National List (205.600 of the USDA Organic Standards), for suppression of weed growth, soil temperature moderation, or soil moisture conservation in organic production
6. Water and irrigation supplies and equipment
7. Jars, boxes, labels, and packaging for transport and sales
8. Commercial spraying equipment and related protective gear. Producer must hold a current Private Pesticide Applicator's card
9. Bird netting/predator control fence (excluding plank fence) for protection of crops
10. Cooling equipment
11. Third party GAP/GHP Audit and sorting, grading, washing, and sales-preparation equipment and facilities, in accordance with the Good Agricultural Practice (GAP) standards
12. Refrigerated and non-refrigerated equipment (excluding motorized vehicles) for transporting produce and finished product
13. Specialized harvesting equipment (not self-propelled)

B. Commercial Fruit and Sweet Sorghum Production

Cost Share Items:

1. Seeds, cuttings, potted and rooted cuttings, and scion/rootstock combinations, in conformance with UK recommendations.

Reimbursement for grapevine cuttings potted and rooted cuttings, scion/rootstock combinations that are on the *Grapevine Cultivar Requirements List* (Appendix A), reviewed annually by the State Viticulturalist, are also eligible investment items.
2. Transplanting or cultivation equipment (not self-propelled)
3. Soil, media for plant production
4. Plastic or plasticulture supplies and plastic laying equipment; materials, as allowed in the National List (205.600 of the USDA Organic Standards), for suppression of weed growth, soil temperature moderation, or soil moisture conservation in organic production
5. Water and irrigation supplies and equipment
6. Trellis or other plant supporting materials
7. Jars, boxes, labels, and packaging for transport and sales
8. Commercial spraying equipment and protective gear. Producer must hold a current Private Pesticide Applicator's card.
9. Bird netting/predator control fence (excluding plank fence) for protection of crops
10. Specialized harvesting equipment (not self-propelled)
11. Cooling equipment
12. Third party GAP/GHP Audit and sorting, grading, washing, and sales-preparation equipment and facilities, in accordance with the Good Agricultural Practice (GAP) standards
13. Cider presses and other juice extracting equipment
14. Refrigerated and non-refrigerated equipment (excluding motorized vehicles) for transporting produce and finished product

C. Production of Commercial Ornamental Horticultural Products

Cost Share Items:

1. Seeds, seedlings and rootstock, in conformance with UK recommendations
2. Soil, media for plant production
3. Transplanting and harvesting equipment (not self-propelled)
4. Plastic or plasticulture supplies and plastic laying equipment
5. Water and irrigation supplies and equipment
6. Containers for growing plants
7. Boxes, containers, labels, and packaging for transport and sales
8. Commercial spraying equipment and protective gear; Producer must hold a current Private Pesticide Applicator's card
9. Harvesting equipment, including mechanized tree spades
10. Cooling equipment
11. Refrigerated and non-refrigerated equipment (excluding motorized vehicles) for transporting product

D. Greenhouse Construction or Conversion for Horticultural Enterprises

Cost Share Items:

1. Cooling and heating systems (fans, vents, heaters, motors, shade cloth, cooling pads, etc.)
2. Automatic irrigation systems
3. Benches, tables, rails
4. Hydroponic growing systems and components
5. Commercial spraying equipment and protective gear; Producer must hold a current Private Pesticide Applicator's card
6. Refrigerated or non-refrigerated equipment (excluding motorized vehicles) for transporting produce
7. Greenhouse materials (plastic, glass, wood or metal)

E. Small Animal Production (Bees, Rabbits)

1. Honeybees

Cost Share Items:

1. New or used hives (used hives shall be inspected by State Apiarist prior to purchase), other wooden ware, foundation, specialty supers
2. New or used extractor, honey processing, bottling and storage equipment
3. Purchase of bees from an inspected source
4. Protective suits, veils, gloves, smoker, hive tool
5. Jars, bottles, labels, boxes, signage for promoting/selling honey
6. Beeswax candle making supplies, including wax melter, molds, wicks
7. Approved medications
8. Non-motorized equipment essential for the transportation of beehives

2. Rabbit Production

Cost Share Items:

1. Commercial bred New Zealand White or Californian breeding stock.
2. Cages or wire to make cages. Minimum size allowed 30" X 30" X 18". Wire must be 14-gauge or better.
3. Automatic (nipple) water delivery system, including line, regulators, medicator, and pumps
4. Feeders, nest boxes
5. Materials to construct manure handling system
6. Ventilation equipment such as fans, curtains, heaters, air conditioners
7. Transport cages

F. Poultry Production: Pastured Poultry & Other Fowl

Cost Share Items:

1. Commercial breeding stock
2. Feeders, waterers, brooders, poultry coops, nesting boxes
3. Poultry netting and other temporary fencing
4. Grazing cages (field pens), rolling hen houses, skid mounted chicken houses
5. Permanent pens and shelters
6. Fruit trees for poultry feed source
7. Egg processing and packaging equipment, including coolers and refrigerators
8. Pasture / pen water lines or alternative water sources
9. Refrigerated and non-refrigerated equipment (excluding motorized vehicles) for transporting product

G. Commercial Aquaculture Production

Prerequisites:

- Pond must be a minimum of one-half surface acre in size.
- Ponds must conform to technical guidelines for construction of commercial aquaculture ponds.
- Note that there are different standards for shrimp production and finfish production.

Cost Share Items:

1. Eligible expenses for construction of aquaculture production pond and impoundment reservoirs:
 - a. Earth moving costs (embanking and excavating ponds; land shaping; professional labor)
 - b. Cost of providing water source (piping and conduits; drain and drain structure; professional labor)
 - c. Costs for electrical power (wiring, switches, control panels, professional labor)
2. Equipment and materials necessary for pond aeration (e.g. aerators, pumps)
3. Refrigerated and non-refrigerated equipment (excluding motorized vehicles) for transporting product

H. Equine Production

Cost Share Items:

1. Materials to renovate existing tobacco barns by conversions to horse stalls
2. Fencing materials to enlarge paddock turn-out areas for owned and boarded animals
3. Water lines to existing and expansion paddock areas
4. Equine exerciser equipment (excluding motorized vehicles)

I. Direct-to-consumer Livestock Production

Cost Share Items:

1. Boxes, containers, labels and packaging for transport and sales
2. Refrigerated equipment (excluding motorized vehicles) for transporting finished product

J. Agri-tourism Development

Cost Share Items:

1. Site preparation for items that ensure consumer safety: parking areas, grading, traffic flow, sidewalks, and established walkways.
2. One time cost-share on one half of the cost of liability insurance for new agri-tourism ventures

K. Certified/Commercial Kitchen Construction or Renovation

Cost Share Items:

1. Construction materials to install the appropriate grade of washable ceiling tiles, flooring, and wall covering
2. Materials for the installation of water lines, gas lines, and drainage lines from existing lines, not including labor
3. Materials to install any necessary hand or mop sinks
4. Materials to install appropriate lighting
5. Equipment necessary to add value to fruit and vegetable crops or to produce baked items in compliance with KRS 217.136, including, but not limited to, stoves, refrigerators/freezers, preparatory equipment, canners, stainless steel tables, storage facilities/equipment.
6. Production supplies including jars, boxes, bottles, labeling and packaging materials
7. One-half the cost of attending a training program required by the Cabinet for Health and Family Services under KRS 217.136 for home processing and micro-processing of food products, or training required to become a commercial processor. (GAP training is eligible)

L. Sod Production

Prerequisites:

- Board will not entertain requests for pallets, tractors, seed/fertilizer, trucks, chemicals, netting, forklifts, cutters, bobcats or all terrain vehicles.

Cost Share Items:

1. Seeders
2. Finishing Mowers (non-motorized)
3. Turf Tires
4. Net Layers
5. Tillers
6. Rollers
7. Sprayers
8. Spray Tips
9. Irrigation Equipment
10. Nurse Tanks
11. Sweepers
12. Aerators

M. Timber Production, Utilization, & Marketing

Prerequisites:

- Growers should obtain technical assistance from the Kentucky Division of Forestry for Timber Production cost share items.
- Growers are required to obtain a Forest Stewardship or Forest Management Plan free-of-charge from the Kentucky Division of Forestry or equivalent plan that provides technical information on cost share practices provided in this Investment Area.

1. Timber Production & Management:

Cost Share Items:

1. Seeds and seedlings for transplant
2. Water and irrigation supplies and equipment
3. Layout and construction of permanent forest roads and stream crossings for long-term management, including construction of permanent best management practices on those road and stream crossings [One Pass Practice or General Forest Management]
4. Construction of fire lines and lanes [One Pass Practice or General Forest Management]
5. Timber Stand Improvement (TSI) [One Pass Practice or General Forest Management]
Practices such as thinning, release, control of invasive species, site preparation treatments (non-chemical) for natural regeneration, and pruning for the purpose of improving timber quality and growth.
6. Fencing for forest management
for the purpose of restricting livestock from woodland area, not to include plank fencing

2. Forest Products Utilization and Marketing

- Growers should contact the Cooperative Extension Service for information on cost share items for forest products utilization and marketing including information on small-scale harvesting, milling, drying and marketing.

Cost Share Items:

1. Timber and lumber processing equipment
 - a. sawmills, portable or stationary
 - b. planers, molders and other similar processing equipment
2. Drying equipment and facilities
including equipment for dry kilns, predryers, dry sheds, air drying yards
3. Packing equipment

N. Marketing and Promotion

Prerequisites:

- Applicant will provide an acknowledgement in any publications, brochures, articles, advertising, or promotional projects and activities which indicate that a portion of the funding was provided by the Kentucky Agricultural Development Fund.

Cost Share Items:

1. Equipment (non-motorized) essential to provide on-farm value-added processing
2. Promotional and advertising materials in an amount not to exceed \$1,000, excludes products or services provided by the KY Department of Agriculture or other state programs.
3. On-farm direct-to-consumer sales cost-share items:
 - Construction of new permanent structures or conversion of existing structures to be used for retail sale of product.

[Meeting rooms, exposition centers, education facilities and construction or improvements to buildings serving primarily as residences are not eligible cost-share items.]
 - Site preparation including on-site utility extensions and officially permitted on-site waste treatment facilities
 - Refrigerated and non-refrigerated equipment (not self-propelled) for storing product
 - Display equipment, including refrigerated equipment, to assist in selling of product
4. Business Plan Development and/or Feasibility Study



CATTLE GENETICS IMPROVEMENT INVESTMENT AREA

(Approved February 16, 2001)
(Updated December 18, 2009)

This document provides eligible investments and is considered to be the standards by which an investment area is to be implemented, except for the **EPD requirements**, which are **standard** statewide per the amendment on July 18, 2003. Visit http://agpolicy.ky.gov/funds/documents/epd_standards.doc for the most up-to-date EPD guidelines.

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

Questions concerning these guidelines should be directed to the Governor's Office of Agricultural Policy at (502) 564-4627. Application for funds must be directed through the local County Agricultural Development Council(s).

I. Eligible Cost Share Items

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.

A. Bull purchase or lease and semen purchases

Bull leases – producer-to-producer or leasing company to producer [This program is not intended for funding the development of leasing programs that include utilizing funds to purchase a group of bulls for lease to local producers.]

We require that a bull lease includes possession of the bull and that it not be moved from farm to farm, in an attempt to alleviate any potential herd health problems.

Prerequisites:

- Applicant must become Beef Quality Assurance (BQA) certified before funding is received
- Expected progeny differences (EPDs) must be certified to meet the requirements set forth in the state EPD guidelines posted on the Governor's Office of Agricultural Policy website. EPDs shall be certified by documentation from a breed association before funds may be reimbursed.

- A bull/semen/lease must qualify within one of the two bull type categories, selected by the producer at the time of application.
 - All bulls purchased or leased through this program must pass a **Breeding Soundness Evaluation (BSE)** prior to receiving cost-share funds. The cost of a BSE should be negotiated between the buyer and seller and can be included in the total cost of the bull purchase.
 - Ownership of bulls must be maintained for a minimum of two (2) successive breeding seasons, not in the same year.
 - A limit of two straws per cow.
1. When selecting bulls/semen/lease for each of the six bull type categories, the following traits must be met to qualify:
 - a) **Balanced Trait Bulls**, the EPD requirements must be met for calving ease, milking ability, and either weaning weight or yearling weight guidelines.
 - b) **Carcass Merit Bulls** must meet minimum calving ease and carcass traits that are breed specific.
 - c) **Heifer Acceptable Bulls** will have to meet minimum calving ease and either weaning weight or yearling weight guidelines.
 - d) **High Productivity Bulls** must meet EPD requirements for minimum calving ease and milking ability, and minimum weaning weight or yearling weight guidelines.
 - e) **Low Maintenance Bulls** must meet minimum calving ease and maximum yearling weight and milking ability guidelines.
 - f) **Terminal Bulls**, the EPDs shall meet the calving ease and either weaning weight or yearling weight guidelines, depending on the targeted market.
 2. When selecting for **dairy breeds**, use the Net Merit Index. This score is an economic index based on milk, fat, protein, somatic cell score and productive life. All sires must be in the upper 20% for their respective breeds.

B. Artificial Insemination

1. Estrus synchronization
2. AI Procedure
3. AI School
4. AI Equipment (excluding liquid nitrogen, gloves, sheaths, and other consumables)

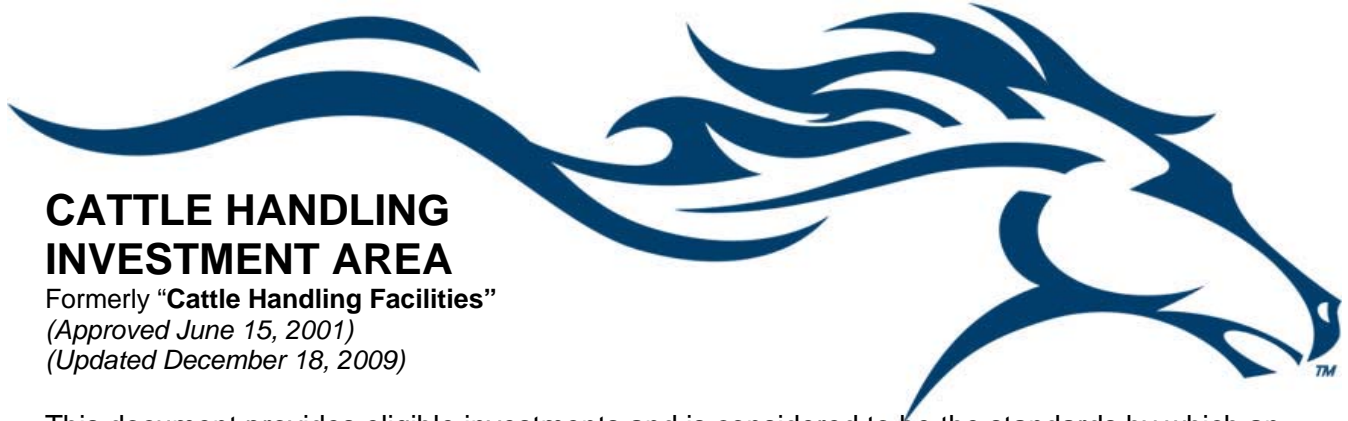
C. Heifer Purchases

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.

Prerequisites

- Applicant must become Beef Quality Assurance (BQA) certified before funding is received
- Applicant must submit Heifer Affidavit – Producer Report for Heifer Purchases
- Applicant must have suitable facilities and fencing in place, as determined by the administrating agency, before funds are disbursed.
- All heifers purchased shall have been developed following the minimum guidelines outlined by the University of Kentucky and the Kentucky Department of Agriculture’s “Herd Builders” replacement heifer program – <http://www.kyagr.com/marketing/animalmktg/documents/HBSaleRequirements.pdf>
- *A producer shall not participate as both a buyer and a seller within the same year.*



CATTLE HANDLING INVESTMENT AREA

Formerly “Cattle Handling Facilities”
(Approved June 15, 2001)
(Updated December 18, 2009)

This document provides eligible investments and is considered to be the standards by which an investment area is to be implemented.

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

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I. Eligible Cost Share 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



Commercial Poultry, Dairy, & Swine Investment Areas

(Approved December 15, 2006)

(Updated December 18, 2009)

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

Questions concerning these guidelines should be directed to the Governor's Office of Agricultural Policy at (502) 564-4627. Application for funds must be directed through the local County Agricultural Development Council(s).

I. Eligible Investment Items for Commercial Poultry Diversification

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.

II. Eligible Investment Items for Dairy Diversification

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

III. Eligible Investment Areas for Swine Diversification

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



FARM FENCING IMPROVEMENT INVESTMENT AREA

Formerly “Farm Livestock Fencing Improvement”

(Approved March 21, 2003)

(Updated December 18, 2009)

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

Questions concerning these guidelines should be directed to the Governor’s Office of Agricultural Policy at (502) 564-4627. Application for funds must be directed through the local County Agricultural Development Council(s).

I. Eligible Cost Share 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



FARM STRUCTURE & COMMODITY HANDLING INVESTMENT AREA

Formerly “Hay, Straw, & Commodity Storage”
(Approved November 15, 2002)
(Updated December 18, 2009)

This document provides eligible investments and is considered to be the standards by which an investment area is to be implemented.

Producers shall receive cost-share fund reimbursement of 100% at completion of project, not 90% - 10% as previously offered.

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

Questions concerning these guidelines should be directed to the Governor’s Office of Agricultural Policy at (502) 564-4627. Application for funds must be directed through the local County Agricultural Development Council(s).

I. Eligible Cost Share 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.



FARMLAND IMPROVEMENT AND UTILIZATION INVESTMENT AREA

Formerly “**Forage Improvement & Utilization**”

(Approved March 16, 2001)

(Updated December 18, 2009)

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

Questions concerning these guidelines should be directed to the Governor's Office of Agricultural Policy at (502) 564-4627. Application for funds must be directed through the local County Agricultural Development Council(s).

I. Eligible Cost-share 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 cost-share.
 - 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 cost-share basis.

APENDIX A: Seed Varieties

Visit http://agpolicy.ky.gov/funds/documents/forage_seedlist.pdf for the most up-to-date list of seed varieties eligible for use with this program.



GOAT & SHEEP INVESTMENT AREA

(Approved August 17, 2001)

(Updated December 18, 2009)

This document provides eligible investments and is considered to be the standards by which an investment area is to be implemented.

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

Questions concerning these guidelines should be directed to the Governor's Office of Agricultural Policy at (502) 564-4627. Application for funds must be directed through the local County Agricultural Development Council(s).

I. Eligible Cost Share 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** must be at least 6 months of age, in good health, have all required health papers, and be up to date on their CDT vaccinations. Bucks must be registered full bloods or purebreds with permanent identification.

Ownership Requirements: Ownership of bucks must be maintained for a minimum of **two (2) successive breeding seasons**. The only exceptions are listed below:

- a. **Genetic Diversification Clause** – In the event that a producer retains female offspring sired by the buck for use as breeding stock, the buck may be sold, **but MUST be replaced by another buck of equal or greater value. The replacement animal is not eligible for cost-share funds.**
 - b. **Emergency Early Release Clause** – The local program 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.
2. **Semen** purchases from registered meat or dairy bucks will be allowed.
 3. **Rams** must be at least 4 months of age, in good health, and must be up to date on their CDT vaccinations. Rams must be permanently identified. Rams must be QR or RR to qualify for cost-share.

Ownership Requirements: Ownership of rams must be maintained for a minimum of **two (2) successive breeding seasons**. The only exceptions are listed below:

- a. **Genetic Diversification Clause** – In the event that a producer retains female offspring sired by the ram for use as breeding stock, the ram may be sold, but **MUST be replaced by another ram of equal or greater value. The replacement animal is not eligible for cost-share funds.**
- b. **Emergency Early Release Clause** – The local program 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.

Prerequisites

- Bucks and rams will be cost shared on a 50-50 basis up to a **maximum of \$1,000** per producer.

- All bucks/rams purchased through this program must pass a **Breeding Soundness Evaluation (BSE)** prior to receiving cost-share funds. The cost of a BSE should be negotiated between the buyer and seller and can be included in the total cost of the bucks/rams purchase.

The breeding soundness exam is the buyer's best insurance that the buck/ram will be fertile and productive.

1. **Semen Evaluation**
2. **Physical Examination**

C. Buck/Ram Lease for Herd/Flock Improvement

Prerequisite:

Buck/Ram leases – producer-to-producer or leasing company to producer [This program is not intended for funding the development of leasing programs that include utilizing funds to purchase a group of buck/rams for lease to local producers.]

We require that a buck/ram lease includes possession of the buck/ram and that it not be moved from farm to farm, in an attempt to alleviate any potential herd/flock health problems.

Cost Share Item

1. **Bucks for lease** must be at least 6 months of age, in good health, have all required health papers, and be up to date on their CDT vaccinations. Bucks must be registered full bloods with permanent identification.
2. **Ram lease**

D. Breeding Female Purchase

Cost Share Items:

Breeding females – Females need not be registered, but should have permanent identification.

Ownership Requirements: Ownership of does must be maintained two (2) years. The only exception is listed below:

Emergency Early Release Clause – The local program 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.

E. Dairy Facilities for Goats


Cost Share Items

1. Milking equipment
2. Feedways, forage mixers, feeding equipment systems
3. Renovation of existing dairy barns or existing tobacco barns into dairy facilities
4. Construction of new dairy facilities where no buildings exist for renovation
5. Cooling and raw milk storage equipment
6. Animal waste handling and distribution equipment (excluding motorized vehicles)

F. Wool Processing & Value-added Production

Cost Share Items:

1. **Carding, spinning, knitting, felting, weaving equipment**
2. **Dyes and dyeing supplies**



ON-FARM ENERGY EFFICIENCY & PRODUCTION INVESTMENT AREA

(Approved December
(Updated December 18, 2009)

This document provides eligible investments and is considered to be the standards by which an investment area is to be implemented.

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

Questions concerning these guidelines should be directed to the Governor's Office of Agricultural Policy at (502) 564-4627. Applications for funds must be directed through the local County Agricultural Development Council(s).

Cost Share 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 on-farm 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

IMPORTANT: Applicants with projects requiring over \$50,000 in expenditures or projects likely to be submitted for consideration for federal programs, should consider requesting funds for a professional energy audit. Eligibility criteria for other federal programs will likely have more stringent requirements. Resumes confirming the qualifications of all third party professionals listed above and performing services for a fee must be attached with submission of the documented expenditures.

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

IMPORTANT: Only farm level costs for projects under the supervision of Universities or other entities conducting valid research, demonstrating production techniques, or utilizing the biomass crops for energy production will be considered.

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

IMPORTANT: Due to the array of local, state, and federal taxes, any fuels produced on the farm with assistance through this program can not be utilized as transportation fuels for highway use. Applicants are encouraged to review all manufacturers' warranties and specifications before using the fuels in any equipment.

Guidelines for all projects within the On-Farm Energy Efficiency & Production Incentives Program

PLEASE REVIEW THESE GUIDELINES CAREFULLY

- A. Eligible items will be restricted to components of buildings used solely for farming purposes.
- B. Improvements to personal residences, non farm commercial property, and any other non farm structures are not eligible.
- C. Tractors, motorized vehicles, and other equipment with internal combustion engines are excluded from this investment area.
- D. Applicants will be required to provide a detailed listing and verification of all expenditures related to this investment area. In addition to the normal documentation, the applicant may be required to provide model and serial numbers for all relevant components as well as further explanation of the energy related benefits of the investment.
- E. The local Administrative Entity in consultation with GOAP Staff can at their discretion disqualify the reimbursement of expenditures not explicitly listed above or for items determined to provide no energy savings.



ON-FARM WATER ENHANCEMENT INVESTMENT AREA

*(Approved March 1, 2003)
(Amended December 18, 2009)*

This document provides eligible investments and is considered to the minimum standards by which an investment area is to be implemented.

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

Questions concerning these guidelines should be directed to the Governor's Office of Agricultural Policy at (502) 564-4627. Application for funds must be directed through the local County Agricultural Development Council(s).

I. Eligible Cost Share Items

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.



Technology Investment Area

(Approved December 17, 2004)
(Updated December 18, 2009)

This document provides eligible investments and is considered to be the standards by which an investment area is to be implemented.

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

Questions concerning these guidelines should be directed to the Governor's Office of Agricultural Policy at (502) 564-4627. Application for funds must be directed through the local County Agricultural Development Council(s).

Eligible Categories

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