SAMPLE ONLY

Received By (initials):_____

KADF KENTUCKY AGRICULTURAL DEVELOPMENT FUND

Next Generation Farmer Program (NextGen)
2026 Producer Application

SAMPLE COUNTY

If your county participates in "every other year" policy, then there will be a statement here, regarding eligibility to apply.

Revisions to the application from last program year are highlighted in yellow.

- *All answers provided shall be based on the individual applicant applying for funds*
- *Applicants may be asked to verify responses and/or provide supporting documentation*
- *All applicants must be 18 years or older at the time of application*

Applicant Information

First Name _____ **Last Name** _____

SSN _____
(REQUIRED)

Mailing Address _____
(Street)

_____
(City, State Zip)

Email Address _____

Home # (_____) _____ - _____ **Cell # (_____) _____ - _____**

Farm Information

Farm Serial Number (FSN) _____
(REQUIRED)

Farm Service Agency Office _____
(Associated County)

COUNTY of FARM _____
(REQUIRED)

Tax ID _____
(For Tax Purposes ONLY; not related to tax exemption)

Farm Name _____
(As listed with the Secretary of State)

Please select if you will be utilizing the above listed Tax ID for the purpose of your 1099. **YES or NO**

Farm Address (If different from above)

_____
(Street)

_____
(City, State Zip)

Does the FSN listed above span multiple counties? YES or NO (Please circle)

If yes, please list: _____

Eligibility Requirement: You must either have a **Kentucky Agriculture Water Quality Act (AWQA) Plan OR AWQA Self-Certification Form** for the farm listed above for which funding is requested.
Do you meet this requirements? YES or NO (Please circle) Provide verification/documentation with application.

For questions concerning the AWQA, visit eec.ky.gov/agwater or contact your <<County>> County Conservation District Office at <<Consv. Dist. phone #>>.

Farm Information – (Continued)

Will you be applying for NextGen funds in another county? YES or NO (Please circle)

Will anyone else in your household be applying for NextGen or CAIP funds in this or another county? YES or NO (Please circle) **If yes, please list all:**

Name _____ **County** _____

Name _____ **County** _____

HOUSEHOLD EXCLUSION

Only **one** individual per household is eligible to receive NextGen funds within a program year. If applicable, proof of residency is **required** to verify that multiple individuals within the same household are not applying.

Are you applying as a tenant farmer? YES or NO (Please circle)

If yes, please provide either 1) a FSA-578 form OR 2) a redacted copy of your schedule F AND written approval from the land owner giving you permission to use the owner's FSN and granting access to the cost-share item (for a minimum of five years for capital improvements).

Additionally, the "Tenant/Owner Acknowledgement Form" must be submitted prior to approval.

Please review Section A.2. of the attached Producer Guidelines for additional limitations to Tenant/Owner participation in CAIP.

If an employee, applicant must have written permission from the landowner to use the owner's FSN. Landowners will be limited to providing written permission to use an FSN to one (1) employee per program year. **Seeding and capital improvement projects are not eligible.**

Did you attach the required 3-year business plan? **YES or NO** (Please circle)

SAMPLE

PLEASE NOTE

PROJECT LOCATION

NextGen funds received shall be used for improvements in the **county in which funds are approved**, regardless of the county the Farm Serial Number (FSN) may span.

If your FSN spans multiple counties, you may be asked to provide verification that all projects are located within the county that funds are approved. There are **NO** exceptions to this policy.

Mentor Eligibility Requirement *(see program guidelines)*

Please select only one for the purpose of this program:

___ University of Kentucky Extension Agent or Specialist

___ Commodity Group Facilitator, if yes, make selection below:

___ Kentucky Beef Network ___ Kentucky Dairy Development Council

___ Kentucky Horticulture Council ___ Other commodity group:_____

___ Other agricultural management or teaching professional

Mentor Name _____

Mentor Address _____
(Street)

_____
(City, State Zip)

Email Address_____

Phone # (_____) _____ - _____ **Cell #** (___) _____ - _____

Preferred Method of Contact: ___ **Mail** ___ **Email** ___ **Phone**

Producer Questions

1. Please mark the statement that best describes your level of tobacco dependency (choose only one): **(10)**

   __ I have owned quota, or grown and marketed tobacco.

   __ I have not grown tobacco or owned quota, but I am the son/daughter of someone who did.

   __ I have never grown tobacco or owned quota

2. Do you have off farm income? **(5)**

   __ YES __ NO

3. Within 5 years of the date of this application, have you done any of the following? (select all that apply) **(3)**

   __ added a new farming enterprise specify*: _____

   __ modified an existing farming enterprise specify*: _____

   __ added a new practice specify*: _____

4. Have you changed your marketing strategies for your farm production in the last three (3) years? **(4)**

   __ YES __ NO

   If yes, please describe*: _____

   _____

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5. Have you attended an agricultural, financial, marketing, or leadership-based education session within the last 12 months? **(10)**

__ YES __ NO

If yes, please list*: _____

6. Have you attended a beginning farmer program facilitated by Extension, the Farm Service Agency (FSA), or other related organization within the last 12 months? **(10)**

__ YES __ NO

If yes, please list*: _____

7. Are you a member of any beginning farmer or young farmer organization? **(8)**
(e.g. Farm Bureau, FSA, etc.)

__ YES __ NO

8. Do you have an existing relationship with a bank/lender? **(5)**

__ YES __ NO

9. Do you work with a tax professional to file your farm taxes? **(4)**

__ YES __ NO

10. Have you completed a Farm Service Agency crop acreage report for your operation for the most recent reporting year? *Administrator may request documentation.* **(5)**

__ YES __ NO

11. a. Do you utilize your local Extension Office and have regular interaction with your Extension Agent for your farming operation? **(10)**

__ YES __ NO

b. Are you currently subscribed to an Extension Newsletter? **(5)**

__ YES __ NO

12. Have you completed a soil test within the last 24 months? **(4)**
(Documentation that all soil test recommendations have been completed may be requested.)

__ YES __ NO

13. Do you keep production records for your farming enterprise? **(10)**
(e.g. DHIA records, Farm Business Analysis, calving records, crop yields, etc.)

__ YES __ NO

14. Do you currently use any of the following tools to mitigate financial risk for your marketable crops/livestock? (select all that apply)* *Administrator may request documentation.* **(2)**

__ YES __ NO

__ Futures/Forward Contracting __ Livestock Risk Protection (LRP) Insurance

__ Pasture, Rangeland, Forage (PRF) Insurance __ Crop Insurance

__ Dairy Margin Coverage (DMC) Program __ Enterprise Specific Insurance

__ Other* Specify*: _____

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15. Please check if you have a current certification in any of the following: **(20)**
(Producers may be asked to provide verification of certification.)

__ a. BQCA Certification – Beef Quality & Care Assurance

__ b. GAP Certification – Good Agricultural Practices

__ c. Pesticide Certification

__ d. Other Third Party Certification*_____

16. a. Are you a member of a county, statewide, or national agriculture organization (e.g. cattlemen, grain growers, farm bureau, etc.)? **(2)**

__ YES __ NO

If yes, please name agriculture organization(s)*: _____

b. Are you in a leadership role? __ YES __ NO **(2)**

17. Have you hosted an on-farm demonstration, field day or informational workshop within the last 24 months? **(4)**

__ YES __ NO

If yes, what type*:_____

Date of event*: _____

18. Have you updated your Ag Water Quality Plan? **(5)**

__ YES, within 3 years __ YES, 4-5 years ago __ YES, 6+ years ago

Administrator may request verification of updated plan.

19. Did you attend a NextGen or CAIP Producer Information meeting for the current program year? **(5)**

__ YES __ NO

If yes, date of event*: _____

**This is not your education component, only a meeting on the CAIP/NextGen program itself.

Total Points Possible 133

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Eligible Incentive Areas – *Using 2026 CAIP Incentive Area Guidelines*

The following incentive areas are considered eligible for cost-share through NextGen. Please select **NO MORE** than **3** incentive areas to receive cost-share funds.

A Producer is eligible for the total amount of NextGen funds requested below, not to exceed the county's maximum cost-share per producer limit - <Producer Limit>.
Your county <pro-rates among approved applicants / pro-rates only ties / does not pro-rate >.

A Producer shall not receive more than $5,000 statewide in NextGen funds within a program year.

	INCENTIVE AREAS	Eligible for Cost-share up to $	Select NO MORE than 3 Incentive Areas
1.	**AGRICULTURAL DIVERSIFICATION**	**<available amount>**	
	Eligible Areas – See Incentive Area Guidelines for more information. ▪ Commercial Horticulture or Commercial Aquaculture Production ▪ Timber Production, Utilization, & Mkting.		
2.	**LARGE ANIMAL**	**<available amount>**	
	Eligible Areas – See Incentive Area Guidelines for more information. ▪ Beef, Dairy, or Equine **Please select if applying for a HEIFER PURCHASE:** YES ___ NO ___ (Limit of 5 Heifers per program year.)		
	Beef Bull Selection, circle no more than 2 from the three bull types: (Limit of 2 Bulls per program year.) **1.** Balance Trait **2.** Carcass Merit **3.** Terminal		
3.	**SMALL ANIMAL**	**<available amount>**	
	Eligible Areas – See Incentive Area Guidelines for more information. Goat, Sheep, Swine, Bees, Rabbits		
4.	**FARM INFRASTRUCTURE**	**<available amount>**	
	Eligible Areas – See Incentive Area Guidelines for more information. ▪ Farm Storage/Equipment Facilities or Greenhouse Construction/Conversion ▪ Livestock, Equine, or Poultry Facilities ▪ On-Farm Composting		
5.	**FENCING & ON-FARM WATER**	**<available amount>**	
6.	**FORAGE & GRAIN IMPROVEMENT**	**<available amount>**	
	Eligible Areas – See Incentive Area Guidelines for more information. ▪ Forage, Pasture, or Grain Improvement ▪ Commodity Handling or Forage Equipment		
7.	**INNOVATIVE AGRICULTURAL SYSTEMS**	**<available amount>**	
	Eligible Areas – See Incentive Area Guidelines for more information. ▪ Fenceline Feeders or Gravel Paver Grid ▪ Solar Powered Watering System, Tire Waterers, or Water Harvesting		
8.	**ON-FARM ENERGY**	**<available amount>**	
9.	**POULTRY & OTHER FOWL**	**<available amount>**	
10.	**AGTECH & LEADERSHIP DEVELOPMENT**	**<available amount>**	
11.	**VALUE-ADDED & MARKETING**	**<available amount>**	
	Eligible Areas – See Incentive Area Guidelines for more information. ▪ Value-Added or Agritourism Development ▪ Certified/Commercial Kitchen or Marketing & Promotion ▪ Good Agricultural Practices (GAP) & Food Safety		

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Acknowledgement

The County Administrative Entity reserves the right to request or require sufficient documentation to verify the responses to each of the questions on this application. Inability or refusal to provide documentation for specific responses will result in zero points being awarded for that question. Confirmation of fraudulent responses shall result in disqualification of participation in the Next Generation Farmer Program for the current program year.

You acknowledge that you have been engaged in an agricultural operation, as an owner, tenant, or employee of a farm for at least 3 years.

You also acknowledge that only one individual in your household is eligible to receive funds within a given program year. Additionally, if you are a tenant/owner and your owner/tenant is also applying within the same program year, you may not receive funds in the same Incentive Areas.

You also certify that you are only eligible to receive funds in one of the following per program year; CAIP, Next Generation Farmer Program, or Youth Agricultural Incentives Program.

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

All applicants must adhere to Producer Guidelines & Responsibilities for CAIP in addition to the Next Generation Farmer Program Guidelines.

By signing this, you acknowledge that you have read the above disclaimer as well as reviewed the *Producer Guidelines & Responsibilities* and that you accept and agree to be bound by the terms thereof.

Signature _____

Date _____

Please detach the *Producer Guidelines & Responsibilities* section of this application and keep for records.

*Producers approved for funding must submit the **Producer Report & Certification** prior to receiving cost-share reimbursement. Visit www.kyagr.com/agpolicy to download a copy, or contact your program administrator.*

For county specific program questions, please contact your local Program Administrator.

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Next Generation – Producer Guidelines & Responsibilities

In addition to the Next Generation Guidelines, all applicants shall adhere to the "Producer Guidelines & Responsibilities" for the 2026 County Agricultural Incentives Program (CAIP).

A. Funding & Limitations

1. Eligible producers may receive up to $5,000 per program year.
2. Funding amount is determined by the county.
3. $25,000 lifetime limit.
4. Only one applicant per household is eligible to receive funds. CAIP recipients and members of their household are excluded from receiving funds.
5. In addition to these NextGen guidelines, all applicants shall adhere to the 2026 CAIP "Producer Guidelines & Responsibilities"
6. Applicants are limited to participation in one of the following programs in a program year: CAIP, NextGen, Youth Agricultural Incentives Program.

B. Producer Eligibility

1. Applicant shall be between the ages of 18 and 40.
2. Applicant shall have engaged in an agricultural operation, as an owner, tenant, or employee for at least 3 years.
3. Applicant shall provide a copy of their Schedule F for the most recent three (3) years or a letter from the farm owner/employer for each year working in an agricultural operation to meet program eligibility.
4. Applicant shall provide their individual Social Security Number.
5. Applicant shall be a resident of Kentucky and provide a copy of their Kentucky driver's license along with one utility bill matching the address listed on the application. Kentucky REAL IDs may be accepted for both the ID and utility bill.
6. Applicant shall provide a Farm Serial Number (FSN).
    a. **If a tenant farmer**, applicant must be listed as an operator on the FSN provided and provide written permission from the landowner to utilize and grant access to that farm for 5 years past participation in the program.
    b. **If an employee**, applicant must have written permission from the landowner to use the owner's FSN. Landowners will be limited to providing written permission to use an FSN to one (1) employee per program year. **Seeding and capital improvement projects are not eligible.**
    c. The project must be **located on the farm on which applied.**
7. A 3-year business plan is required. *(See page 3 for template.)*
8. Applicant shall complete at least one educational component. *(See 2026 CAIP Guidelines for new educational prerequisites on certain Incentive Areas.)*

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9. Applicant shall identify the commitment of at least one of the following mentor partners:
    a. University of Kentucky Extension Agent or Specialist.
    b. Commodity Group Facilitator: *Kentucky Beef Network, Kentucky Dairy Development Council, Kentucky Horticulture Council, etc.*
    c. Other agricultural management or teaching professional at the discretion of the program administrator.

Mentors must be willing to provide on-farm consultation or assistance with business decisions for the length of the program.

Approved mentors shall have no financial interest in the applicant's farming operation and must not be from the applicant's immediate family.

C. Eligible Cost-share Items

1. This program uses the same **11** Incentive Areas as the 2026 CAIP.
    a. Agricultural Diversification
    b. AgTech & Leadership Development
    c. Animal, Large
    d. Animal, Small
    e. Farm Infrastructure
    f. Fencing & On-Farm Water
    g. Forage & Grain Improvement
    h. Innovative Agricultural Systems
    i. On-Farm Energy
    j. Poultry & Other Fowl
    k. Value-Added & Marketing
2. Incentive Areas are ranked primary or secondary by the local County Agricultural Development Council.
3. Incentive Area Guidelines are available on-line at www.kyagr.com/agpolicy.

Other KADF Funding Opportunities

Food Safety and Efficiency Incentives Program

Large and Food Animal Veterinary Incentives Program

KADF Project Requests

Contact: KOAP@ky.gov
502-573-0282

KAFC Kentucky Agricultural Finance Corporation

Contact: KAFC@ky.gov
502-573-0282

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DO NOT SUBMIT WITH APPLICATION – RETAIN FOR YOUR RECORDS

3-Year Beginning Farmer Business Plan Outline

A. Qualifications of Applicant
   1. Education and Farm Experience
   2. Current Involvement in Farming
   3. Support System
      a. Mentor's Role and Area of Expertise
      b. Family Members or Other Sources of Assistance

B. Business Concept
   1. Type and Scope of Farming Operation
   2. Goals and Objectives
      a. Full or Part Time
      b. Growth Strategy – Aggressive or Moderate
      c. How Will Success Be Measured?
   3. Personal Reasons for Farming – Profit, Lifestyle, Other

C. Organization Plan
   1. Business Type – Sole Proprietorship, Partnership, or Corporation
      a. Define Role of Applicant – Owner, Unit Manager, or Other
      b. Define Roles of Other Employees or Partners
      c. Discuss Wages and Benefits
      d. How Will These Roles Be Evolving?
      e. Address Succession Planning
   2. What Government Regulations Will Apply?
      a. Local Zoning
      b. Water Quality
      c. Other

D. Marketing Plan
   1. What Products or Services Will Be Grown or Offered?
      a. How Will These Be Marketed – Least Cost or Value-Added
      b. Discuss Competitive Nature of Your Business
   2. How Will You Reduce Risk?
      a. Crop Insurance
      b. Futures or Contracting
      c. Other

E. Financial Plan
   1. Discuss Record Keeping System
      a. Production
      b. Financial
   2. Provide Enterprise Budgets
   3. Provide Five-year Cash Flow Projections
   4. How Will You Finance Growth, Debt Retirement, and Family Living?
   5. Other Financial Considerations

For more information: Kentucky Small Business Development Centers
www.ksbdc.org

Kentucky Center for Agriculture & Rural Development (KCARD)
www.kcard.info

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VI. Producer Guidelines & Responsibilities – also applies to NextGen

Funded participants shall adhere to all local, state, and federal rules and regulations.
Any application that does not meet eligibility requirements will not be scored.

The County Administrative Entity and/or the County Program Administrator reserves the right to request or require additional documentation to verify information provided in producer's application.

Confirmation of fraudulent responses shall result in disqualification for participation in this year's CAIP.

*Applicants are only eligible to receive funds in **one** of the following programs per program year:* **CAIP, Next Generation Beginning Farmer, Youth Agricultural Incentives Program**

A. Eligibility Requirements

Only one application per household will be considered for funding. A household for the purpose of this program is defined as follows:

1. HOUSEHOLD
    a. Only **one** individual per household, regardless of county, is eligible to **apply for** CAIP funds within a program year. Proof of residency is required to verify that multiple individuals within the same household are not applying.
    b. **Additionally**, all applicants must be a resident of Kentucky.
    c. Residency is determined by a valid Kentucky driver's license or photo ID and one utility bill. The address on both the ID and utility bill must match the address provided on the CAIP application. A copy of both shall be submitted and placed in the file with the application. Kentucky REAL IDs may be accepted for both the ID and utility bill.
2. TENANT/OWNER
    If applying as a tenant/landowner, then the following also apply:
    a. Tenant farmers are required to obtain written permission from the landowner to use the landowner's FSN on a CAIP application. Written permission must be submitted with the application to be eligible. The tenant farmer must submit either an FSA-578 form (or similar FSA form) **or** a redacted copy of the tenant's schedule F and written approval from the landowner, giving permission to use the owner's FSN and granting access to the cost-share item(s) for a minimum of five (5) years.
    b. **Additionally**, the tenant farmer must submit the "Tenant/Owner Acknowledgement Form" prior to approval.
    c. **Limitations** for Tenant/Owners that both apply for CAIP:
        i. A tenant farmer and a landowner are both eligible to apply with separate FSNs; however, both may not receive funds within the same Incentive Area.
        ii. In the event a tenant secures written permission from the landowner and both apply for CAIP, the tenant farmer and landowner are prohibited from applying for funds **within the same Incentive Area** in the same program year.
3. PRODUCER DEFINITION
    a. A producer is defined by use of **Social Security Number (SSN) and Farm Serial Number (FSN). Both shall be provided when applying.** Once the Social Security Number (SSN) or Farm Serial Number (FSN) is used, neither are eligible to be used again once the annual limit is reached.

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[Example: SSN – 123-45-6789 combined with FSN – 4567,
would discontinue the eligibility of both the SSN and FSN.]

b. 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.

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 CAIP, 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).

c. Producers must be 18 years of age or older at the time of application to apply for CAIP funds.

d. Counties may choose to limit eligible producers, members of their household and FSNs to receive funding every other year. If a county has adopted this policy, it will be printed in bold on the front page of the county's Universal Producer Application.

4. Applicants shall have completed a Kentucky Agriculture Water Quality Act (AWQA) Plan with either the complete plan or a self-certification form the farm for which CAIP funding is requested and provide verification or documentation with application.

5. Applicants may submit a **voluntary** third-party information request form for the Farm Service Agency (FSA) with their application to allow the program administrator to request information directly from FSA, with the producer's permission.

6. EXCLUSIONS
The following individuals are ineligible to apply for CAIP funding:

a. Members of the Scoring Committee (see II.A.2.) and their households.

b. Beginning in 2020, the program administrator (*individual(s) managing the program*) **and** members of his/her household will be ineligible to apply for CAIP.

B. Cost-Share Reimbursement

1. Funds disbursed to producers shall be on a reimbursement basis, **upon completion of the project.**

2. CAIP funds received shall be used for improvements on the land assigned to the Farm Serial Number (FSN) provided on the producer's application, independent of the county in which the FSN is registered.

3. A producer is eligible for up to the county's maximum cost-share per producer limit not to exceed $5,000. Producers shall not receive more than $5,000 statewide per producer per program year (program year is defined by the year the application is approved by the Kentucky Agricultural Development Board).

4. In the event that it is determined that a producer has received more than $5,000 in a program year, then the producer will be asked to return the amount over $5,000 to the last county that reimbursed the producer.

If the producer fails to reimburse the amount over $5,000, then the producer is ineligible to receive further CAIP funding (statewide) until repayment is made.

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5. The producer shall supply a dated receipt indicating buyer and seller information, along with a description of the item(s) purchased in order to be eligible for payment. **Payment shall only be made for eligible cost-share items.**
6. **NO CASH PURCHASES** are allowed for reimbursement.
7. **Beginning in 2020,** producers shall submit proof of payment before reimbursement funds are received – either a cancelled check, copy of relevant credit/debit card statement, financing paperwork, or other method of payment, excluding cash.
8. Approved producers shall submit the *Producer Report & Certification* form completing the sections for the program/incentives being cost-shared, **before** reimbursement funds are received.
9. **Deadlines:** Should the producer fail to use approved funds by the program administrator's reimbursement deadline, said funds shall be reallocated to the next eligible applicant time permitting.

C. Exclusions

1. Reimbursements for purchases, including labor, from the producer's immediate family (e.g. father/mother, son/daughter, brother/sister, aunt/uncle, niece/nephew), including in-laws and stepfamily, are not eligible.
2. 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.
3. Documented hired labor is an eligible cost-share item; however, reimbursement will not be awarded for labor provided by the producer and/or the producer's immediate family (e.g. father/mother, son/daughter, brother/sister, aunt/uncle, niece/nephew), including in-laws and stepfamily.
4. **Beginning in 2010**, all transport equipment was removed as eligible cost-share items from all Incentive Areas. This exclusion includes trailers, wagons, and carts with the primary function of transportation.
5. **Beginning in 2012**, all fertilizer, pesticide, herbicide, and soil amendments were removed as eligible cost-share items from all Incentive Areas.
6. Reimbursements for repairs, routine maintenance, beautification/cosmetics, and/or renewal of annual subscriptions are not eligible for cost-share.

D. Educational Requirement

1. Participation in CAIP requires the applicant to complete a minimum of one (1) educational component prior to the disbursement of funds related to farm management, production, best management practices or marketing. Eligible sessions include extension-sanctioned activities, such as workshops, seminars, field days, online courses, webinars, etc.
    a. Documentation of attendance is required, and the session must not have been submitted to meet the CAIP education requirement for a prior year.
    b. A county extension agent must approve all educational components by signing an individual producer's "Certification for Educational Requirement" form.
    In special circumstances, Agents may use discretion on who completes the educational requirement with prior notification to KOAP.
    c. Cost-share payments shall not be issued to producers before the educational requirement has been met. *The educational component may be attained any time prior to*

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disbursement of funds, but no more than six (6) months prior to the execution of the Legal Agreement.

2. **Educational Videos:** The following Incentive Areas have an optional educational video component. The videos may fulfill the educational requirement referenced in D.1. above. Producers who wish to complete one of the following videos or an online course, webinar, etc. must have **prior approval** from county extension agent.

    a. Large Animal – "Cattle Genetics"

    b. Farm Infrastructure – "Commodity Storage & Livestock Handling"

    c. Fencing & On-Farm Water – "Installation & Regulations"

    d. Forage & Grain Improvement – "Farm Practices & Recommendations"

    e. AgTech & Leadership Development – "Farm Safety"

    All educational videos are available through the County Cooperative Extension Service.

3. **Exclusion:** Attendance at an informational meeting to review updated guideline changes and discuss the producer application does not satisfy this requirement.

E. Capital Improvements – *Equipment, Fencing, Farm Structures*

1. CAIP funds received shall be used for improvements in the county in which funds are awarded, regardless of the counties the FSN may span.

    If the FSN spans multiple counties, then the producer shall provide verification that all projects are located in the county in which funds are awarded. There are no exceptions to this policy.

2. Producers shall maintain ownership of the property for five (5) years past the participation date in the program.

    a. Should a producer fail to maintain ownership of property for the entire 5-year period, administrators shall request a return of funds on a pro-rated basis.

    b. Emergency early release is possible in the case of death, illness, physical inability, or transfers within immediate family and must be approved by the local administrative entity and documentation kept on file for future reference.

    c. Failure to return funds will result in the producer being ineligible to receive additional Kentucky Agricultural Development Funds until repayment is made.

    d. Administrators shall provide producers failing to meet the ownership requirement a written notice, giving a minimum of 30 days to repay the pro-rated amount.

3. **Producers shall retain adequate insurance coverage**, if applicable, to replace any and all capital improvement/equipment projects funded with Kentucky Agricultural Development Funds. *Proof of insurance may be requested by the program administrator at the time of reimbursement or during a site visit.*

4. Prior to approval, tenant farmers or those leasing land where capital construction improvements will be located must provide the Tenant/Owner Acknowledgement Form, an FSA-578 (or similar FSA form), or a redacted copy of their Schedule F and written approval from the landowner, giving permission to use the owner's FSN and granting access to the cost-share item(s) for a minimum of five (5) years.

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