2026 CAIP Incentive Area Guidelines:
AGRICULTURAL DIVERSIFICATION

KENTUCKY AGRICULTURAL DEVELOPMENT FUND

*These guidelines represent one of 11 incentive areas within the **County Agricultural Incentives Program (CAIP)** to provide Kentucky agricultural producers cost-share assistance on practices that increase net farm income and opportunities to try new/innovative technologies or systems that improve farm efficiency and productivity.*

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

Incentive Area Limitations:

- Self-propelled vehicles/equipment are not eligible for cost-share, including but not limited to pallets, tractors, fertilizer, trucks, chemicals, forklifts, cutters, bobcats, all-terrain vehicles, skid steers, etc.
- Reimbursements for repairs, routine maintenance, beautification/cosmetics, and/or renewal of annual subscriptions are not eligible for cost-share.
- **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.

A. Commercial Horticulture Production

Includes fruits, hemp, herbs, hops, mushrooms, ornamentals, sod, sweet sorghum, tobacco, and vegetables

Eligible Cost-share Items:

1. Seeds, seedlings, spores, cuttings, vegetable transplants potted, rooted cuttings, plants, and scion/rootstock combinations in conformance with UK recommendations. *Excludes hemp (seeds, seedlings, clones, etc.) and tobacco (seeds, transplants, etc.)* **50%**

   In consultation with Cooperative Extension Services may include test varieties as part of a demonstration.

   Reimbursement is also available 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. **25%**

2. Transplanting or cultivation equipment *(not self-propelled)*, including pull-behind tillers and attachments **75%**
3. Soil, media for plant production **25%**
4. Containers for starting or growing plants **25%**
5. Materials for trellis/support system **75%**
6. Plastic or plasticulture supplies and plastic laying equipment; materials, as allowed in the federal organic regulations 205.206 and 205.601 (https://go.usa.gov/xe5xE), for suppression of weed growth, soil temperature moderation, or soil moisture conservation in organic production **50%**
7. Commercial spraying equipment and related protective gear. Producer must hold a current Private Pesticide Applicator's card **50%**
8. Bird netting; insect netting **25%**
9. Tree bags **25%**
10. Specialized harvesting equipment, including mechanized tree spade **75%** *(not self-propelled)*

11. Cooling storage equipment **75%**
12. Sod production equipment *(not self-propelled):* seeders, finishing mowers, net layers, tillers, rollers, sprayers, nurse tanks, spray tips, sweepers, aerators **25%**
13. Cost of participation in an advanced agricultural education program (e.g. Master Gardener, etc.) **75%**
14. Cost of participation in a Good Agricultural Practices (GAP) training program **75%**

B. Commercial Aquaculture Production

Prerequisites:

- Pond shall be a minimum of one-half surface acre in size.
- Note that there are different standards for shrimp production and finfish production.

Eligible 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) **50%**
    b. Cost of providing water source (piping and conduits; drain and drain structure; professional labor) **50%**
    c. Costs for electrical power (wiring, switches, control panels, professional labor) **50%**
    d. Pond liners **50%**
2. Equipment and materials necessary for pond aeration (e.g. aerators, pumps) **50%**
3. Fish feeders, spawning containers **50%**
4. Cost of participation in a master-level agricultural education program **75%**

C. Timber Production, Utilization, and Marketing

Prerequisites:

- Growers shall obtain technical assistance from the Kentucky Division of Forestry for Timber Production cost-share items.
- Growers shall 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 Incentive Area.
- Growers shall contact the Cooperative Extension Service for information on cost-share items related to forest products utilization and marketing, including information on small-scale harvesting, milling, drying, and marketing.

Limitations:

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

Eligible Cost-share Items:

1. **Timber Production and Management**
    a. Seeds and seedlings for transplant **25%**
    b. 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] **50%**

c. Construction of fire lines and lanes [One Pass Practice or General Forest Management] **50%**

d. New Plantings

i. Site preparation, including disking and mowing **25%**

ii. Chemical application service *(excluding chemicals)* **25%**

iii. Tree tubes for saplings **25%**

iv. Flagging for new seedlings **25%**

2. **Forest Products Utilization and Marketing**

a. Timber and lumber processing equipment **50%**

i. sawmills, (portable or stationary) **50%**

ii. planers, molders, and other similar processing equipment **50%**

b. Drying equipment and facilities including equipment for dry kilns, pre-dryers, dry sheds, air drying yards **50%**

c. Packing equipment **50%**

3. Cost of participation in a master-level agricultural education program (e.g. Master Logger) **75%**

Appendix A: GRAPE CULTIVAR REQUIREMENTS

At least 75% of the acreage must be planted with the following American and interspecific hybrid cultivars to be eligible. Currently, it is not recommended to plant grapes of European heritage (*Vitis vinifera*) in most areas of Kentucky due to mortality rates in response to winter injury. However, there are areas in Kentucky where *V. vinifera* may be suitable. Please contact Patsy Wilson, Viticulturist, patsy.wilson@uky.edu for information in regards to planting *V.vinifera*.

Red wine grapes	**Winter hardiness**	**Maturity**
Chambourcin	Moderate	September
Chancellor	Moderate	September
Concord	Hardy	October
Corot Noir (NY70)	Hardy	August
Crimson Cabernet	Hardy	October
Frontenac	Hardy	August
Foch	Hardy	August
GR7	Hardy	September
Noiret (NY73)	Hardy	September
Norton	Hardy	October
St. Vincent	Hardy	August
Villard Noir	Moderate	September

White wine grapes	**Winter hardiness**	**Maturity**
Arandell (NY95)	Hardy	September
Aromella (NY76)	Hardy	September
Cayuga white	Hardy	August
Catawba	Hardy	August
Chardonel	Hardy	September
Diamond	Hardy	September
Frontenac Gris	Hardy	August
Golden Muscat	Hardy	August
La Crescent	Hardy	August
Niagara	Hardy	August
Seyval blanc	Moderate	September
Traminette	Moderate	September
Valvin Muscat	Hardy	September
Vidal blanc	Hardy	September
Vignoles	Hardy	October
Villard Blanc	Moderate	September

Seedless table grapes	**Winter hardiness**	**Maturity**
Canadice	Hardy	September
Jupiter	Moderate	August
Mars	Hardy	August
Marquis	Hardy	August
Neptune	Moderate	September
Reliance	Hardy	September
Sunbelt (seeded)	Hardy	September
Vanessa	Hardy	September

GRAPE PLANTING INFORMATION

The above grape cultivar list is an extensive list and are known to grow well in Kentucky. However, all cultivars listed may not be in local demand. Before establishing a commercial vineyard, you should consider the viticultural characteristics and market demand of the cultivars to be planted.

The major challenge in growing grapes is winter injury and disease control (please refer to UK ID-94 for disease management). Winter or spring frost injury is likely to occur during the life of the grapevine and can cause minor to severe injury. The frequency of occurrence of extreme subfreezing temperatures depends on the site; best sites have less frequent (e.g. once in 8 to 10 years) winter damage than poor sites (every 2 to 3 years).

In general, it is expected to observe varying levels of winter injury in dormant buds at about 8°F in European varieties and up to -15°F in Hybrid cultivars. Note that the nature and extent of winter injury are not entirely predictable due to the complex interaction between genotype, the site, climate and management practices. Other considerations for cultivar selection include disease susceptibility, ripening season (early-, mid-, or late-season), bud break date, yield potential, growth habit, and cultural requirements.

It is imperative to understand the local climate in order to match the proper grape cultivar to growing site. For guidance in matching the proper grape cultivar to growing site, please contact your local Cooperative Extension Office.