

2026 CAIP Incentive Area Guidelines: FARM INFRASTRUCTURE



*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 Prerequisites

- Recipients of Kentucky Agricultural Development Funds are required to retain ownership of facilities and equipment for at least five years.
- Producers shall retain adequate insurance coverage to replace any and all capital improvement/equipment projects funded with Kentucky Agricultural Development Funds.

Incentive Area Limitations

- Eligible equipment does not include purchase of construction or drilling equipment.
- Personal or family labor is not eligible for reimbursement.
- 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. Farm Storage Facilities

Eligible Cost-Share Items:

1. Materials and construction of permanent structures, such as a shed, pole barn, or Quonset hut (hoop structure) for storage of hay, straw, whole grain, farm animal feed, or farm equipment **50%**
2. Materials necessary to convert/retrofit existing structures, including barn additions and flooring, for storage of hay, straw, whole grain, farm animal feed, or farm equipment **50%**
3. Purchase of new or used grain or feed bin **50%**
4. Upgrade or modernization of existing grain or feed bins **50%**
5. Purchase of new or used liquid tanks for feed storage **50%**
6. Upgrade or modernization of drying and handling equipment to increase efficiency, improve quality, and/or add value to the grain **50%**
7. Documented, hired labor for any construction or renovations listed above **(this percentage will match the chosen project's percentage)** see also *Incentive Area Limitations*
8. Contracted site preparation and equipment rental **(this percentage will match the chosen project's percentage)**

B. Greenhouse Construction/Conversion

Eligible Cost-Share Items:

1. Cooling and heating systems **50%**
(fans, vents, heaters, motors, shade cloth, cooling pads, etc.)
2. Automatic irrigation systems **50%**
3. Water storage tanks, gutters for water collection & diversion **50%**

B. Greenhouse Construction/Conversion (cont.)

4. Benches, tables, rails **50%**
5. Hydroponic growing systems and components **50%**
6. Greenhouse materials (plastic, glass, wood, or metal) **50%**
7. Documented, hired labor for any construction or renovations listed above **(this percentage will match the chosen project's percentage)** see also *Incentive Area Limitations*
8. Contracted site preparation and equipment rental **(this percentage will match the chosen project's percentage)**

Note: See *Value-Added & Marketing Incentive Area* section "E. Good Agricultural Practices (GAP) & Food Safety" for construction/renovation related to Food Safety Modernization Act (FSMA) Compliance.

C. Livestock, Equine, & Poultry Facilities

Eligible Cost-Share Items:

1. Renovation of existing barns, including flooring, into appropriate facilities for either livestock, equine, or poultry production **50%**
2. Construction, including site preparation, of new facilities appropriate for either livestock, equine, or poultry production **50%**
3. Documented, hired labor for any construction or renovations listed above **(this percentage will match the chosen project's percentage)** see also *Incentive Area Limitations*
4. Contracted site preparation and equipment rental **(this percentage will match the chosen project's percentage)**

Exclusions/Limitations:

- Poultry producers applying for litter storage/composting buildings – Producers receiving 'State Cost-Share Program'¹ funds through the Conservation District for litter facilities are not eligible to receive cost-share through this program for the same.

D. On-Farm Animal Disposal

Prerequisites:

- All composting sites shall comply with KAR 302 22:040 before funds are disbursed.
- All incinerator sites shall follow environmental performance standards, as specified in KAR 401 47:30 Section 10, and must register with the Division for Air Quality. Contact the Division of Compliance Assistance for help with this: Allison Hall, branch manager, 502-782-8099.
- Producers shall provide a picture of the site or incinerator for documentation prior to receiving funds.

Eligible Cost-Share Items:

1. Materials to create impermeable surface (e.g. concrete, soil-cement) **75%**
2. Contracted site preparation and equipment rental **(this percentage will match the chosen project's percentage)**
3. Documented, hired labor for any construction or renovations listed above **(this percentage will match the chosen project's percentage)** see also *Incentive Area Limitations*
4. Incinerator for on-farm disposal of livestock or poultry **75%**

Exclusions/Limitations:

- Producers that have been approved for funding by the Kentucky Division of Conservation through the Conservation District for "KWP8 – On-Farm Fallen Animal Composting" are not eligible.
- This section is for the on-farm composting/incineration of dead farm animals. It is not intended for personal or garden composting/incineration sites. It is also not for commercial waste operations.

¹ 'State Cost-Share Program' – common name for the Kentucky Soil Erosion and Water Quality Cost-Share Program