



## County Agricultural Incentives Program (CAIP) 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.

Changes from last year are highlighted in yellow.

- All answers provided shall be based on the individual applicant applying for CAIP funds.
- Applicant may be asked to verify responses and/or provide supporting documentation.
- All applicants must be 18 years or older at time of application.
- Proof of residency is required to submit with the application.

**PLEASE DETACH PRODUCER GUIDELINES. DO NOT SUBMIT WITH 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)

Farm Address (If different from above)  
\_\_\_\_\_  
(Street)

\_\_\_\_\_  
(City, State Zip)

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

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 CAIP 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](http://eec.ky.gov/agwater) or contact your <<County>> County Conservation District Office at <<Consv. Dist. phone #>>.

**Farm Information – (Continued)**

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

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

Name \_\_\_\_\_ County \_\_\_\_\_

Name \_\_\_\_\_ County \_\_\_\_\_

**HOUSEHOLD EXCLUSION**

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. Additionally, **all applicants must be a resident of Kentucky.**

**If your county participates in “every other year” policy, then there will be a question here, regarding eligibility to apply.**

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

If yes, please provide either 1) a FSA-578 form (or similar FSA 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 with the application.**

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

**PLEASE NOTE****PROJECT LOCATION**

CAIP 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.

Maximum points per question are designated in **BLUE** and in parentheses at the end of each question. You must be able to verify your responses to each question. If you cannot provide verification when asked, then you will forfeit points for that question.

## Producer Questions

140 points possible

Questions in this section will be verified by your county program administrator for accuracy.

\* Answers may be adjusted by the administrator to reflect verified funding information.

Points awarded will be for the verified answers.

1. Check which answer **best describes** your past participation statewide in the County Agricultural Incentives Program (CAIP) cost-share funds for the past five program years: (10)

- ☐ I have received cost-share funds once through CAIP
- ☐ I have received cost-share funds twice through CAIP
- ☐ I have received cost-share funds three or more times through CAIP
- ☐ I have not received cost-share funds through CAIP in the last five years

2. In the previous program year\*, check which answer **best describes** you: (15)

*\*If county has "every other year policy," then the last program year you were eligible.*

- ☐ I received funding for a completed project
- ☐ I applied but was not approved for funding OR I did not apply
- ☐ I was approved for funding but did not complete my project
- ☐ I was approved for funding but notified administrator that I would not use funds at least 30 days before the deadline
- ☐ I was placed on a waiting list but did not receive funds
- ☐ I was placed on a waiting list, later approved but did not complete my project

*Administrators – please initial next to verified answers.*

3. Have you been a resident of <COUNTY> County for the last 5 years or more? (5)

- ☐ YES ☐ NO

4. Have you managed a farm in <COUNTY> County for the last 5 years or more? (5)

- ☐ YES ☐ NO

5. At the time of application, how long have you shared in the financial risks and/or participated in the business operation of a farm? (10)

- ☐ Less than 1 year ☐ 6 to 10 years
- ☐ 1 to 5 years ☐ More than 10 years

6. Did you file a schedule F, schedule C, and/or 4835 (IRS tax forms) for agricultural purposes in the previous year **or do you have an agriculture exemption license number?** (20)

*Administrator may request documentation.*

- ☐ YES ☐ NO

**SAMPLE ONLY**

7. 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

8. 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\*: \_\_\_\_\_  
☐ none of the above

\*\* The above are defined as follows:

- New farming enterprise: a new business or revenue stream on the farm. Ex. Produce bees in addition to their beef enterprise
- Modified an existing farming enterprise: Ex. Retaining a calves to feed out, process, and market as local beef
- New farming practice: Ex. Starting cover crops on a farm

- 9 a. Do you keep production records for your farming enterprises? (i.e. DHIA records, Farm Business Analysis, calving records, crop yields, etc.) (6)

☐ YES ☐ NO

- b. Are you currently utilizing recordkeeping software for your farming operation? (6)

☐ 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. Have you obtained a Premises Identification Number (PIN) with the Kentucky Department of Agriculture Office of the State Veterinarian? (5)

☐ YES ☐ NO If yes, list the number\*: \_\_\_\_\_

For additional information, contact [statevet@ky.gov](mailto:statevet@ky.gov); 502-573-0282 or visit [www.kyagr.com/statevet](http://www.kyagr.com/statevet)

12. Do you have a marketing plan for your operation? (3)

☐ YES, not written ☐ YES, written ☐ YES, written with help of professional  
☐ NO Administrator may request verification of plan.

13. Did you soil test within the last 24 months? (4)

☐ YES ☐ NO

14. 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.

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

**SAMPLE ONLY**

15. 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\*: \_\_\_\_\_
16. a. Are you a member of a county, statewide, or national agricultural organization (e.g. cattlemen, grain growers, farm bureau, organic association, etc.)? (4)
- ☐ YES ☐ NO
- If yes, please name commodity group(s)\*: \_\_\_\_\_
- b. Are you in a leadership role? YES or NO (Please circle) (2)
17. Are you currently subscribed to an Extension Newsletter? *includes newsletters from Extension Specialists* (5)
- ☐ YES ☐ NO If yes, list the county/newsletter(s)\*: \_\_\_\_\_
18. Did you attend a financial, leadership, or marketing-based education session within the last 12 months? (5)
- ☐ YES ☐ NO
- If yes, please list\*: \_\_\_\_\_
19. Are you currently a Kentucky Proud member? (2)
- ☐ YES ☐ NO If yes, enter Member Number\*: \_\_\_\_\_
- Farm Name as Registered\*: \_\_\_\_\_
- For additional information or to check membership visit <http://www.kyproud.com/member/register/index/>
- If applying for a Kentucky Proud membership, please allow a minimum of 48-64 hours for processing.*
20. Have you sold ag-related products at a farmers market in the past 24 months? (2)
- ☐ YES ☐ NO If yes, name of market(s)\*: \_\_\_\_\_
21. Have you hosted an on-farm demonstration, field day, or informational workshop or presented about agriculture/your operation at a school, field day, or informational workshop within the last 24 months? (2)
- ☐ YES ☐ NO If yes, what type\*: \_\_\_\_\_ Date of event\*: \_\_\_\_\_
22. Did you attend a CAIP Producer Information meeting for the current program year? (4)
- ☐ YES ☐ NO If yes, date of event\*: \_\_\_\_\_

Total Points Possible 140

## Eligible Incentive Areas

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

A Producer is eligible for the total amount of CAIP 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 CAIP funds within a program year.

	INCENTIVE AREAS	Eligible for Cost-share up to \$	Select <b><u>NO MORE</u></b> than <b><u>3</u></b> Incentive Areas
1.	<b>AGRICULTURAL DIVERSIFICATION</b>	<available amount>	
	Eligible Areas – See Incentive Area Guidelines for more information. <ul style="list-style-type: none"> <li>Commercial Horticulture or Commercial Aquaculture Production</li> <li>Timber Production, Utilization, &amp; Mktg.</li> </ul>		
2.	<b>AGTECH &amp; LEADERSHIP DEVELOPMENT</b>	<available amount>	
3.	<b>LARGE ANIMAL</b>	<available amount>	
	Eligible Areas – See Incentive Area Guidelines for more information. <ul style="list-style-type: none"> <li>Beef, Dairy, or Equine</li> </ul> <b>Please select if applying for a HEIFER PURCHASE:</b> YES <input type="checkbox"/> NO <input type="checkbox"/> (Limit of <u>5</u> Heifers per program year.)		
	<b>Beef Bull Selection, circle <u>no more</u> than <u>2</u> from the three bull types:</b> (Limit of <u>2</u> Bulls per program year.) <b>1. Balance Trait 2. Carcass Merit 3. Terminal</b>		
4.	<b>SMALL ANIMAL</b>	<available amount>	
	Eligible Areas – See Incentive Area Guidelines for more information. Goat, Sheep, Swine, Bees, Rabbits		
5.	<b>FARM INFRASTRUCTURE</b>	<available amount>	
	Eligible Areas – See Incentive Area Guidelines for more information. <ul style="list-style-type: none"> <li>Farm Storage/Equipment Facilities or Greenhouse Construction/Conversion</li> <li>Livestock, Equine, or Poultry Facilities</li> <li>On-Farm Composting</li> </ul>		
6.	<b>FENCING &amp; ON-FARM WATER</b>	<available amount>	
7.	<b>FORAGE &amp; GRAIN IMPROVEMENT</b>	<available amount>	
	Eligible Areas – See Incentive Area Guidelines for more information. <ul style="list-style-type: none"> <li>Forage, Pasture, or Grain Improvement</li> <li>Commodity Handling or Forage Equipment</li> </ul>		
8.	<b>INNOVATIVE AGRICULTURAL SYSTEMS</b>	<available amount>	
	Eligible Areas – See Incentive Area Guidelines for more information. <ul style="list-style-type: none"> <li>Fenceline Feeders or Gravel Paver Grid</li> <li>Solar Powered Watering System, Tire Waterers, or Water Harvesting</li> </ul>		
9.	<b>ON-FARM ENERGY</b>	<available amount>	
10.	<b>POULTRY &amp; OTHER FOWL</b>	<available amount>	
11.	<b>VALUE-ADDED &amp; MARKETING</b>	<available amount>	
	Eligible Areas – See Incentive Area Guidelines for more information. <ul style="list-style-type: none"> <li>Value-Added or Agritourism Development</li> <li>Certified/Commercial Kitchen or Marketing &amp; Promotion</li> <li>Good Agricultural Practices (GAP) &amp; Food Safety</li> </ul>		

## 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 for participation in this year's CAIP.

You also verify that only one individual in your household, regardless of county, is eligible to receive CAIP 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 and must not use the same FSN.

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.

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 your records.

### Application submission checklist:

- Completed, signed application (must include SSN & FSN)
- Proof of residency (copy of KY driver's license and one utility bill **OR** KY REAL ID)
- KY Agriculture Water Quality Act (AWQA) Plan documentation
- Third-party information request form for the Farm Service Agency (FSA) (if applicable)
- Additional documentation required by county program administrator
- **Tenants:** Tenant/Owner Acknowledgement Form and FSA-578 form (or similar FSA form) OR redacted copy of schedule F and additional written permission from owner

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

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



**THE FOLLOWING SECTION IS PROVIDED TO ALL PRODUCERS APPLYING FOR CAIP FUNDS AS  
PART OF THE UNIVERSAL PRODUCER APPLICATION**

## **VI. Producer Guidelines & Responsibilities**

*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.



[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.

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 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.