

2026 Guidelines

PILOT HORTICULTURE INCENTIVES LOAN PROGRAM



The Pilot Horticulture Incentives Loan Program provides working capital to fruit and vegetable producers during the produce season.

The Kentucky Agricultural Development Fund is dedicated to helping Kentucky agriculture become more sustainable and profitable for generations to come by supporting this program. Direct questions concerning these guidelines to the Kentucky Office of Agricultural Policy at (502) 573-0282 or KOAP@ky.gov.

A. Application Submission

1. All applications must be submitted to the Kentucky Office of Agricultural Policy no later than close of business on the last Friday of each month.
2. Applicants must submit a non-refundable application fee, based on the amount requested:
 - a. Up to \$50,000: **\$500**
 - b. \$50,001 – \$100,000: **\$1,000**
 - c. \$100,001 – \$150,000: **\$1,500**
 - d. \$150,001 – \$200,000: **\$2,000**
 - e. \$200,001 – \$250,000: **\$2,500**

Made payable to the Kentucky State Treasurer and mailed to:

Kentucky Office of Agricultural Policy
107 Corporate Drive
Frankfort, KY 40601

3. Applicants must provide a current balance sheet with the application.
4. Applicants must provide a copy of their buyer contract with the application.
5. If the buyer you wish to use is not on the “Eligible Buyers” list, their credentials and financials must be submitted either prior to or with the application and the buyer must present to the KADB. *For assistance, contact KOAP at KOAP@ky.gov or 502-573-0282.*

B. Applicant Eligibility

1. Only one individual per household may apply for the Pilot Horticulture Incentives Loan Program.
2. A personal guarantee from the buyer is required.
3. Applicants must participate in the USDA Farm Service Agency’s Noninsured Disaster Assistance Program (NAP) and provide proof of coverage with the application.
4. Applicants must process or handle Kentucky grown food product for human consumption.
5. Applicants must be located in Kentucky.

C. Funding Limitations

1. Applicants will be limited to \$250,000 as a direct loan.
2. The buyer is expected to determine the loan amount based on their personal guarantee and is expected to make direct repayments to the KADB.
3. Loan must be paid in full by December 31, 2026.

- a. If not repaid by December 31, 2026, the balance would accrue interest at a rate of **12%** per year and full payment would be due by December 31, 2027.
- b. Any borrower that fails to make full repayment would not be eligible to participate in the loan program in any subsequent year that a similar program is to be administered by the KADB.

4. Applicants previously approved for the Pilot Horticulture Incentives Loan Program must be paid in full before submitting a new application for consideration.

D. Post Approval Requirements & Deadlines

1. All approved applicants and buyers must attend a Recipient Orientation (RO) prior to execution of the legal agreement.
2. Payments to the applicant would be made after buyer notifies KOAP staff to issue payment on behalf of applicant based on harvested amounts.
3. **All payments to the applicant must be requested by October 1, 2026.**
4. Any payments to the applicant would be mailed a check unless the applicant wishes to receive payments as an electronic funds transfer (EFT). To receive payments as EFTs, applicants can register as a vendor on the state accounting system. To register or to find the hard copy form (SAS 63 Form), visit: <https://vss.ky.gov/>.

APPENDIX A: Eligible Buyer List

A. Farmers Alliance, LLC