

2023 CAIP Investment Area Guidelines: VALUE-ADDED & MARKETING



*These guidelines represent one of 11 investment areas within the **County Agricultural Investment 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.

A. Value-Added

Eligible Cost-share Items:

Includes adding value, on-farm, to food and fiber

1. **Packaging:** Jars, boxes, containers, labels and other packaging for transport and sales
2. **Beeswax candle making supplies**, including wax melter, molds, wicks
3. **Cider presses** and other juice extracting equipment
4. **Dairy** pasteurization and processing equipment
5. **Egg** processing and packaging equipment
6. **Maple Syrup / Sorghum** – supplies for processing and packaging
7. **Wool/hair processing** – carding, spinning, knitting, felting and weaving equipment; dyes and dyeing supplies
8. Other equipment essential to provide on-farm value-added processing
9. Refrigerated and non-refrigerated equipment for transporting product (excluding motorized vehicles)
10. Commercial kitchen usage fees; off-farm processing fees for commercial resale of meat or fiber
11. **Education** - Cost of participation in a master-level agricultural education program

Exclusions:

- Self-propelled vehicles/equipment are not eligible for cost-share, including but not limited to tractors, trucks, all-terrain vehicles, skid steers, etc.

B. Agritourism Development

Eligible Cost-share Items:

1. Renovation of existing farm structures into appropriate facilities for agritourism
2. Construction, including site preparation, of new on-farm facilities for agritourism
3. Site preparation for items that ensure consumer safety - including parking areas, grading, traffic flow, sidewalks, and establishing walkways
4. One-time cost-share on 50% of the cost of liability insurance for new agritourism ventures

C. Certified/Commercial Kitchen Construction or Renovation

Eligible Cost-share Items:

1. Renovation of existing farm structures into appropriate facilities for certified/commercial kitchen
2. Construction, including site preparation, of new on-farm facilities for certified/commercial kitchen
3. Construction materials to install the appropriate grade of washable ceiling tiles, flooring, and wall covering
4. Materials for the installation of water lines, gas lines, and drainage lines from existing lines
5. Materials to install any necessary hand or mop sinks
6. Materials to install appropriate lighting
7. Equipment necessary to add value to fruit and vegetable crops or to produce baked items in compliance with KRS 217.136, including, but not limited to, stoves, refrigerators/freezers, preparatory equipment, canners, stainless steel tables, storage facilities/equipment.
8. One-half the cost of attending a training program required by the Cabinet for Health and Family Services under KRS 217.136 for home processing and micro-processing of food products or training required to become a commercial processor. (GAP training is eligible)
9. Documented, hired labor, related to construction/renovation listed above *see also Exclusions*
10. Contracted site preparation and equipment rental

Exclusions:

- Construction or improvements to buildings serving primarily as residences are not eligible.
- Personal or family labor is not eligible for reimbursement

D. Marketing and Promotion

Prerequisites:

- Applicant shall provide an acknowledgement in any publications, brochures, articles, advertising, and activities, which indicate that a portion of the funding was provided by the Kentucky Agricultural Development Fund. Logo available on-line at <https://www.kyagr.com/agpolicy>.

Eligible Cost-share Items:

1. Promotional and advertising materials in an amount not to exceed \$1,000, excludes products or services provided by the KY Department of Agriculture or other state programs.
2. Signage for promoting/selling products
3. On-farm direct-to-consumer sales:
 - a. Construction of new permanent structures or conversion of existing structures to be used for retail sale of product
 - b. Site preparation including on-site utility extensions and officially permitted on-site waste treatment facilities
 - c. Refrigerated and non-refrigerated equipment for storing product
 - d. Display equipment, including refrigerated equipment, to assist in selling of product
4. Business Plan Development and/or Feasibility Study
5. Third-party farm certification

Exclusions / Limitations:

- Self-propelled vehicles/equipment are not eligible for cost-share, including but not limited to tractors, trucks, all terrain vehicles, skid steers, etc.
- Meeting rooms, exposition centers, education facilities or construction to buildings serving primarily as residences are not eligible improvements.

E. Good Agricultural Practices (GAP) & Food Safety

1. Renovation of existing farm structure into appropriate facilities for washing, handling and storing produce (e.g. enclosing packing houses, installing concrete floors)
2. Construction, including site preparation of new on-farm facilities for produce washing, handling and storage
3. Materials to install or upgrade infrastructure related to worker hygiene and wildlife exclusion to ensure Food Safety Modernization Act (FSMA) or GAP compliance (e.g. sinks, hand-washing stations, portables, fencing, deterrent equipment)
4. Other harvest, washing, handling and storage equipment essential to good agricultural practices or food safety (e.g. harvest totes, drum washers, stainless steel benches and racks, single-use wax boxes)
5. One-time cost-share on the cost of liability insurance for GAPs-audited farms entering new marketing channels
6. Documented, hired labor, for any construction or renovations listed above *see also Exclusions*
7. Contracted site preparation and equipment rental
8. Cost of participation in a Good Agricultural Practices (GAP) training program

Exclusions / Limitations:

- Construction or improvements to buildings not used for produce washing, handling or storage are not eligible.
- Personal or family labor is not eligible for reimbursement